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A Comparison of the Small and Disadvantaged Business Utilization Specialists (SADBUS') Role at Navy Regional Contracting Center (NRCC) Philadelphia, PA and Navy Regional Contracting Center (NRCC) San Diego, CA Detachment Long Beach

by

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December, 1991

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This thesis analyzes the role of the Small and Disadvantaged Business Utilization Specialist (SADBUS) at the Naval Regional Contracting Center (NRCC) Philadelphia, PA and at NRCC San Diego Detachment Long Beach, CA. The focus of the research was to determine what measures need to be taken to improve the efficiency and effectiveness of these SADBU Specialists. The thesis begins with a brief review of the SADBUS in the Department of Defense. Through a comparative analysis of the two NRCCs, the researcher was able to reach certain conclusions about improvements which need to be made to the role of the SADBU Specialist at each NRCC. The researcher concluded that each SADBUS could be more effective in their position, if they increased the amount of market research they performed. Both SADBU Specialists also need to improve the quality of the market research they perform, to identify Small Businesses capable of performing successfully

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ABSTRACT

This thesis analyzes the role of the Small and Disadvantaged Business Utilization Specialist (SADBUS) at the Navy Regional Contracting Center (NRCC) Philadelphia, PA and at NRCC San Diego, CA Detachment Long Beach, CA. The focus of the research was to determine what measures need to be taken to improve the efficiency and effectiveness of these SADBU Specialists. The thesis begins with a brief review of the statutes and regulations which govern the role of the SADBUS in the Department of Defense. Through a comparative analysis of the two NRCCs, the researcher was able to reach certain conclusions about improvements which need to be made to the role of the SADBU Specialist at each NRCC. The researcher concluded that each SADBUS could be more effective in their position, if they increased the amount of market research they performed. Both SADBU Specialists also need to improve the quality of the market research they perform, to identify Small Businesses capable of performing successfully on Government procurement contracts.

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TABLE OF CONTENTS

I. INTRODUCTION 1

A. BACKGROUND 1

B. RESEARCH QUESTIONS 3

C. OBJECTIVE 4

D. LITERATURE SEARCH 5

E. METHODOLOGY 8

F. ORGANIZATION OF THE THESIS 11

II. BACKGROUND ON THE SADBU SPECIALIST PROGRAM 13

A. INTRODUCTION 13

B. PUBLIC LAW 15

C. FEDERAL ACQUISITION REGULATION (FAR) 19

D. DEFENSE FEDERAL ACQUISITION REGULATION (DFARS) . . . 20

E. SPECIFIC DOD LEGISLATION 25

F. SADBUS RESPONSIBILITIES IN OTHER DOD PUBLICATIONS . . 27

G. OPERATION OF THE PROGRAM 29

H. SMALL BUSINESS ADMINISTRATION INTERFACE 31

I. SUMMARY 35

III. THE ROLE OF THE SADBU SPECIALISTS AT THEIR NAVAL REGIONAL CONTRACTING CENTERS 37

A. INTRODUCTION 37

B. NRCC PHILADELPHIA 39

C. NRCC SAN DIEGO DETACHMENT LONG BEACH 49

D. SUMMARY 56

IV. COMPARATIVE ANALYSIS OF THE SADBU SPECIALIST'S ROLE IN THEIR ORGANIZATION'S STRUCTURE 59

A. DESCRIPTIONS OF SADBU SPECIALISTS POSITIONS 59

B. FACILITIES 67
C. PROCEDURES 72
D. PARTICIPATION IN PROFESSIONAL ORGANIZATIONS 76
E. RELATIONS WITH THE SMALL BUSINESS ADMINISTRATION . . 76
F. SADBU SPECIALISTS RELATIONSHIPS WITH PCOS 79
G. FORMAT FOR CONTRACTOR MARKETING PRESENTATIONS 82
H. MARKET RESEARCH 84
I. USE OF SMALL BUSINESS FAIRS 85
J. STATUS AND USE OF BIDDERS' MAILING LIST 87
K. SUMMARY 89
V. CONCLUSIONS AND RECOMMENDATIONS 91
A. INTRODUCTION 91
B. CONCLUSIONS AND RECOMMENDATIONS 92
C. ANSWERS TO RESEARCH QUESTIONS 105
D. SUMMARY 109
E. RECOMMENDATIONS FOR FURTHER RESEARCH 110
APPENDIX: SMALL BUSINESS ADMINISTRATION S REGIONAL OFFICES . 114
SELECTED REFERENCES 115
INITIAL DISTRIBUTION LIST 119

I. INTRODUCTION

A. BACKGROUND

The consolidations in Defense Procurement that are an outgrowth of the Defense Management Review (DMR) will soon have a profound impact on the role of the Small and Disadvantaged Business Utilization Specialist (SADBUS). In particular, the DMR is expected to increase the workload and small business goals of the SADBUS at the Navy's Field Contracting organizations. This is occurring due to the migration of many spare part and component items from the Navy's control to the control of the Defense Logisitics Agency (DLA). [Ref. 22]

Items that were previously designated 1H Cog [procured by Ships Parts Control Center (SPCC), Mechanicsburg, PA] and 1R Cog [procured by Aviation Supply Office (ASO), Philadelphia, PA] are being redesignated for management by the DLA. [Ref. 22] Only those items the Navy can make a strong case for their Navy "uniqueness" will be retained as 1H and 1R cog items. All others, will be managed by the appropriate DLA activity: Defense Industrial Supply Center (DISC), Philadelphia, PA; Defense Personnel Support Center (DPSC), Philadelphia PA; Defense General Supply Center (DGSC), Richmond, VA; Defense Construction Supply Center, (DCSC) Columbus, OH; or Defense Electronics Supply Center (DESC), Dayton OH.

The impact of this reorganization on the SADBU Specialists at Navy Regional Contracting Centers (NRCCs) has not been felt yet. There are some indications however, of the form it will take. Most

of the items migrating from SPCC and ASO were simple manufactured items; from which, these activities were often able to find suppliers in the categories of Small Business, Small and Disadvantaged Business and Section 8(a) firms.

With the migration of many of these items to DLA, both ASO and SPCC will be specializing in managing Navy unique items that are technologically sophisticated. (Overall it is expected that the 1R Cog, 1H Cog migration will result in ASO and SPCC managing 40% less line items in the future). [Ref. 22] Often these more sophisticated items are available from a sole source or are of such a complicated nature that sources are limited to only larger firms.

Unless NAVSUP and the Department of the Navy are able to negotiate lower goals for itself and shift more of the program's burdens to the Department of Defense (especially DLA), the NRCCs will assume a larger share of the Navy's and NAVSUP's Small Business Socio-Economic Program goals. The NRCCs must be ready for this increased burden and the new challenges that it poses. The SADBU Specialist is the point person for this program.

This thesis will examine the role played by the SADBU Specialists at NRCC Philadelphia and NRCC San Diego Detachment Long Beach. Through comparison and contrast, areas of excellence and areas which need improvement will be addressed. Recommendations concerning how each organization should improve the SADBU Specialist's role in the organization will be made at the conclusion of the thesis.

B. RESEARCH QUESTIONS

To provide a basis for comparison of the roles of the two SADBU Specialists, the following research questions formed the basis of the examination.

1. Primary Research Question

What are the roles of the Small and Disadvantaged Business Utilization Specialist at NRCC Philadelphia, PA and NRCC San Diego, CA Detachment Long Beach, CA and how might their roles be improved?

The two organizations were chosen for their similarities and because they provided the researcher full access to both the SADBU Specialist and the Small Business Programs' files. Both organizations are Navy Centers of Excellence for the procurement of ADP equipment and services. Both serve a varied client base, but count on a number of technical organizations for large portions of their work.

There are enough contrasts between the two organizations to provide areas of comparison and ensure that the research did not reveal two identical organizations.

Subsidiary Research Questions

1. What is the role of the SADBU Specialist as outlined in statutes and regulations?

2. How is the job structured and what are the specific duties of the SADBU Specialist st NRCC Philadelphia?

3. How is the job structured and what are the specific duties of the SADBU Specialist at NRCC San Diego Det Long Beach?

4. What are the similarities between the role of the SADBU

Specialists at NRCC Philadelphia and NRCC San Diego Det Long Beach? What are the similarities between how the two carry out the assigned duties of their position?

5. What are the differences between the role of the SADBU Specialists at NRCC Philadelphia and NRCC San Diego Det Long Beach? What are the differences between how the two carry out the assigned duties of their position?

6. How might the SADBU Specialists' roles at NRCC Philadelphia and NRCC San Diego Det Long Beach be refined in order to improve the efficiency and effectiveness of these positions?

C. OBJECTIVE

It is the objective of this thesis to provide answers regarding how an effective SADBU Specialist's position should be structured. Further, it is hoped this thesis will provide suggestions for how the SADBU Specialists can more effectively perform the duties of their position.

What the researcher hopes to present are the overt actions a SADBU Specialist needs to take to be more effective. In addition, to these overt actions, the SADBUS must set a tone or convey specific impressions in order to be effective. These impressions are conveyed through dress, office layout and whether they portray an aggressive or passive demeanor. It is often this aspect of the SADBUS which determines their overall success.

Specifically, the research will present a series of recommendations which would help a NRCC's SADBU Specialist adjust to significantly higher goals for contract awards to Small

Businesses. Additionally, the recommendations coming from this thesis will provide a guide for a NRCC's Commanding Officer to use, in measuring his SADBUS' performance.

D. LITERATURE SEARCH

A literature review was conducted to provide background on the SADBUS program in the Department of Defense. The sources reviewed included Federal Statute (Small Business Act of 1953, 15 U.S.C. 637 and Title VIII of the Annual Defense Authorization Act, 10 U.S.C. 2301). Federal Procurement Regulations were reviewed including the Federal Acquisition Regulation (FAR) Part 19 and Defense Federal Acquisition Regulation Supplement (DFARS) Part 219. General Accounting Office (GAO) reports which studied the effectiveness of socio-economic policies to support Small Business were reviewed to learn what programs have been most successful over the life of the Government's involvement in this area.

DOD and Navy publications directed at assisting Small Businesses obtain awards of defense procurements were also researched for background on the SADBUS program. SBA publications which provide information and assistance to both the Small Business and the SADBUS were reviewed to obtain information on the workings of the SBA.

The SBA publications for the SADBUS primarily are published by SBA District Offices or SBA Regional Offices. Principally, these publications are catalogues aimed at educating the SADBUS about Section 8(a) firms located in a particular SBA Region or District. Most often the format for these publications is a catalogue style

loose-leaf unbound volume, which groups Section 8(a) firms within applicable Standard Industrial Classifications (SICs). A brief synopsis on each Section 8(a) firm is provided, along with details of previous work performed under Federal Government Procurement Contracts.

The SBA publications for Small Businesses primarily are primers on how to sell to the Government. These publications provide some rudimentary explanations on how Federal Procurement works. Types of things typically covered are an explanation of Commerce Business Daily Synopses, the Solicitation Phase, Source Selection, Contract Award and Contract Performance. Also included in the publications are brief explanations of the SBA's mission and the SBA programs available to aid Small Businesses obtain Federal Government Procurement Contracts.

The necessity for each Small Business to market itself to the Federal Government activity which generates the requirements or actually awards the contract is emphasized by the SBA. The role of the SADBUS is explained in these publications; the SBA emphasizes to Small Businesses that the SADBUS is their in-house advocate at the Government Procurement activity and should be targeted for marketing efforts. Usually the publications include either a national or regional listing of all SADBU Specialists with an address and phone number to assist the Small Business in its marketing efforts.

In addition to giving the name, address, and phone number of the activity represented by the SADBUS, the SBA publication usually

provides a brief description of the activity's mission. Also included is information on the type of contracts that Small Businesses can obtain from the activity. Usually this information is provided by giving the SIC of goods and services that small businesses have provided to the activity in the past.

Other publications reviewed include the official records of various Congressional Hearings held over the last fifteen years. These hearings were held by a number of Senate and House Committees in an attempt to judge the effectiveness of various Government programs to assist Small Businesses.

One of the programs more frequently scrutinized was the Section 8(a) Program with its mandatory set-asides for qualified disadvantaged businesses. Congress seemed equally divided on whether or not the Program was beneficial. Often Congress focused on the past abuses of the Program, culminating with the WEDTECH scandal in the mid-1980's. [Ref. 29]

By reviewing these hearings, a partial understanding of the environment within which the SADBU Specialists works was attained. Also these hearings provided insights into what the Legislators, Small Businesses and SBA Administrators believe is the role of Government procurement. Many of these individuals believe Government procurement needs to be directed even further towards advancing the socio-economic interests of Small Business.

Journal articles were reviewed which largely refuted these contentions of many Small Businesses, SBA Administrators and Congressmen. These journal articles emphasized that despite

Congressionally mandated goals for the award of DOD contracts to Small Businesses, there is not a large enough pool of capable Small Businesses able to perform such work. The authors of these articles emphasized that more study of the Small Business Vendor Base is needed before additional Congressionally mandated Small Business goals are given to DOD.

The last series of items reviewed in the researcher's literature search included books dealing with the elements of market research and how to design the work setting for maximum performance, efficiency and effectiveness. These books on office design and office procedures also provided guidelines for the amount of floor space required for the every day functions of a senior executive, division head, branch supervisor or mid-level supervisor. These books also addressed the impact that office size, furnishings and appearance can have on the image the office holder wishes to project.

E. METHODOLOGY

Most information on the SADBU Specialists of the organizations being compared was obtained during on-site visits to the two NRCCs. Details on the functions of the SADBUS at NRCC Philadelphia was obtained during a visit from 23 September to 30 September 1991. Information on the SADBUS at NRCC San Diego Det Long Beach was obtained during a visit from 21 October to 23 October 1991.

Each SADBUS was asked the following 15 questions to obtain basic and detailed information, forming the basis of the comparison between the two SADBU Specialists and their parent organizations.

Clarification of certain points was obtained through telephone conversations at later dates.

1. What is your background in Federal Government Procurement? How long have you been the SADBU Specialist?

2. What is the frequency of your contact with the Small Business Administration's Procurement Center Representative (SBA-PCR)? What type of assistance does your SBA-PCR typically provide? How would you describe your relationship with the SBA-PCR? Do you have access to Procurement Automated Service System (PASS)?

3. What techniques do you employ to find new Small Businesses in order to achieve your assigned goals? Are the marketing and technical presentations given by Small Businesses of much value?

4. What techniques do you employ to get advance notice of new requirements, so that you might develop a Small Business procurement? Do your Contracting Officers and negotiators provide this type of information, or are you more successful soliciting information from the NRCC's customers?

5. How do you organize literature detailing the capabilities of various Small Businesses so that you can readily use it to perform market research? Given a hypothetical requirement for a good or service, what techniques do you use to determine if there are Small Businesses capable of satisfying the requirement?

6. How often do you attend conferences, fairs or meetings designed to increase Small Business participation in Government Contracting? Are these gatherings usually no more than an opportunity for Small Businesses to meet a large number of SADBU Specialists from a geographical region? Do you attend these Small Business Fairs with your own objective to be attained through your attendance, or do you just pass out literature and accept Solicitation Mailing List Applications (SF-129s)?

7. How often is your Bidders' Mailing list updated? How long does it take to add a new firm to the list, once they have submitted the proper forms to be included on it?

8. For what types of requirements have you been most successful in promoting Small Business participation? Do you have any requirement which you think could be performed by Small Businesses, but have been unable to locate a qualified source?

9. How much longer do you expect to fill the SADBU Specialist position?

10. Do you work an Alternate Work Schedule (9 days every 10 day pay period)? Who covers your function on your days off? What

meetings do you regularly attend, e.g., Contract Review Boards, Department Head Meetings, Source Selection Boards, Acquisition Planning Boards?

11. Do you review every requirement before synopsis in the Commerce Business Daily (CBD)? Who recommends whether the procurement will be restricted, unlimited or set-aside for Small Business programs only?

12. How do you handle correspondence from the SBA? Are there internal controls in place to ensure all SBA search letters receive a response by the SADBU Specialist? What actions do you take if you receive a search letter from the SBA with insufficient information to identify a procurement action currently in-house at your NRCC?

13. Have you received any training in Total Quality Leadership (Management) TQL/TQM?

14. Has your NRCC adopted TQL/TQM? What specific actions have you taken to apply TQL/TQM concepts to your functions as the SADBUS?

15. What type of literature do you provide to Small Businesses seeking to do business with your activity?

In addition to asking the two SADBU Specialists questions, both were observed as they carried out their daily duties and interacted with fellow NRCC employees, Small Businesses and requiring activities. The SADBUS at NRCC Philadelphia allowed the researcher to observe a marketing presentation from a Section 8(a) firm which desired to obtain contracts from NRCC Philadelphia in the medical laboratory services field.

During these visits, the researcher hoped to achieve a number of specific goals:

1. Obtain basic information on the NRCC organizations; how they were structured and their mission.

2. Receive a general impression on where the SADBUS stood in the NRCC organization; were they a vital member of the primary decision making bodies or were they treated as an incidental function with a narrow perspective?

3. Draw preliminary conclusions on whether a rotational policy for

SADBUS assignment was preferable to a permanent indefinite appointment.

4. Determine how extensively the SADBU Specialists made use of various market research techniques.

5. Determine what market research techniques were used by the SADBU Specialists.

6. If market research was employed, was it always aimed at fulfilling a specific requirement, or was it being used to obtain general information on the capabilities of Small Businesses?

7. Gain insights into the SADBU Specialist's relationship with the SBA.

8. Determine whether the SADBUS, PCO, Negotiator or Requiring Customer Activity most often drove the decision to contract with a Small Business.

9. Determine whether one particular type of personality (passive or aggressive) was best suited for the role of the SADBUS.

10. Ascertain whether the incumbent SADBU Specialists obtained job satisfaction in their role as an advocate for Small Business Programs.

11. Attempt to document what frustrated the SADBU Specialists about their position and what changes they would like to see made either in the Small Business programs or their own NRCC organizations.

F. ORGANIZATION OF THE THESIS

This thesis is organized in a manner appropriate to an analysis of the research questions. Chapter I has laid the groundwork for the thesis providing the primary and subsidiary research questions which will be answered. Chapter I has also provided the methodology used to research the answers to the questions and some of the literature reviewed to gain insight and background on the subject matter.

Chapter II will examine some of the regulations and legislation important to an understanding of the SADBU Specialist's

role in the Naval Regional Contracting Center organization. Chapter II will also examine the interface between the SADBU Specialist and the Small Business Administration (SBA).

Chapter III will provide specific information about the two SADBU Specialists studied, as well as relevant information about their respective NRCCs. Chapter III lays the foundation and provides much of the information for Chapter IV, which is a comparative analysis of the two SADBU Specialists and their contracting organizations. Chapter IV studies what makes one SADBU Specialist more efficient and effective than their counterpart.

Chapter V takes the information learned in Chapter IV and applies it to the conclusions and recommendations which can be made about each SADBUS. Chapter V makes recommendations for changes in each organization which may be beneficial to improving the SADBU Specialist's performance at each activity. Chapter V will also provide answers to the primary and subsidiary research questions and make recommendations for further research to be done in this area.

Before discussing the outcomes of this research, some background information on the Small Business Programs in Government procurement and the role of the SADBUS as an advocate for these programs is provided in Chapter II.

II. BACKGROUND ON THE SADBU SPECIALIST PROGRAM

A. INTRODUCTION

The still evolving role of the Small and Disadvantaged Business Utilization Specialist position can be traced to a number of statutes, regulations and directives. These statutes govern the Small Business Administration (SBA) and the programs they administer, as well as, the DOD Procurement process. Regulations and directives governing the SADBU Specialist are issued by the Office of Federal Procurement Policy (OFPP), the SBA, DOD and the Department of the Navy.

The desire to promote the fortunes of Small Businesses date back to before the Small Business Act of 1953. Such New Deal legislation as the Davis-Bacon Act and the Walsh-Healy Act had provisions to protect Small Businesses from being driven out of business by firms yielding larger market shares or other forms of economic power. [Ref. 8 p. 89] Judging by the frequent changes to the Small Business Act and the length and scope of Congressional Hearings on the continuing requirement to protect Small Businesses, it is reasonable to expect Congress to remain a promoter of Small Business.

The fortunes and responsibilities of the SADBU Specialists are forever intertwined with the Congressional and Presidential support for Small Businesses in society. Without Congressional and Presidential support for the variety of Small Business programs, there would be no need for the SADBU Specialist.

As time passed, that support first manifested itself in the

creation of a separate agency for Small Business (the SBA). [ref. 9 p. 48] Later, as the programs of the Great Society evolved and Congressional/Presidential consciousness was raised to the plight of the socially and economically disadvantaged, other laws, regulations and Executive Orders came into being. Many of them designated the Federal procurement process as one means to correct these past societal ills. [Ref. 8 p. 89]

Standards and goals for contracting with Small Businesses are being revised almost yearly. The role of the SADBU Specialist in DOD activities is constantly evolving. This requires constant vigilance to ensure the activity's SADBUS is operating within the prescribed parameters of the program.

The annual Defense Authorization Act is often amended to include changes in the military's procurement rules concerning the role of Small Businesses. Normally these changes are found in Title VIII of the Act. Invariably each year, there is some refinement to the public laws which govern the role of the SADBUS. New ways of doing business are generated while the old ways are being shelved.

The role of the SADBUS is defined in Public Law (10 U.S.C. 2301 to 2330 and 15 U.S.C. 631 to 644), the Federal Acquisition Regulation (FAR) Part 19, the Defense Federal Acquisition Regulation Supplement (DFARS) Part 219, DOD Directives, Secretary of the Navy Instructions and NRCC Instructions.

In addition to the laws, regulations, Directives and Instructions, there are a myriad of Congressional, DOD, Navy and

SBA publications which provide guidance to those firms that wish to sell to the Federal Government. Since the Small Business is more apt to consult one of these publications, rather than the specific laws or regulations, there is guidance in them on what role the SADBU Specialist plays. Because these types of publications have more circulation in the Small Business sector, they too must be consulted, in order to provide the most complete background on the SADBUS program.

By studying these public instruments we can obtain the background of the SADBU Specialist program.

B. PUBLIC LAW

1. Department of Defense

Title 10, Chapter 137 Section 2301 of the U.S. Code provides the Congressional Defense Procurement policy. Part (C) states Congressional desires for Small Business participation in the Defense Procurement arena:

> Further it is the policy of Congress that a fair portion of the purchases and contracts entered into under this chapter be placed with Small Business concerns.

Through time, this pronouncement has evolved into goals (stated as a percentage of the dollar value of contracts being obligated) for contract awards to Small Business. Currently for DOD, the goal is to award 20 percent of all contracts to Small Business. This goal is further divided, setting a second goal that 5 percent of all contracts will be awarded to Small and Disadvantaged Businesses (SDBs). When awarding contracts to Small Businesses and SDBs, preference will be given to those businesses

located in Labor Surplus Areas as determined by the Department of Labor.

These goals of 20 percent to Small Business, including 5 percent to SDBs is parceled out to the individual services (Navy, Army and Air Force) as well as the DOD's independent agencies (Defense Nuclear Agency, Defense Logistics Agency, Defense Mapping Agency, National Security Agency, Strategic Defense Initiative Organization and the Defense Communications Agency). Each Procurement Office within the three Services or these independent agencies receive their individual goals from the activity which oversees their organization. [Ref. 41 pp. 219.2-2-219.2-3]

Depending on the type of procurements an activity typically awards, their goal may be adjusted higher or lower than the overall DOD goals. One activity that issues contracts primarily to large firms, with little opportunity for making awards to Small Business, will usually receive a goal lower than the DOD standard of 20 percent and 5 percent. Other activities within that particular Branch of the Service will receive higher goals to cover any deficiencies.

Both NRCCs being studied receive their Small Business goals from the Naval Supply Systems Command (NAVSUP). Each NRCC receives its goals after NAVSUP has negotiated its goal with the Office of Small and Disadvantaged Business Utilization in the Office of the Secretary of the Navy. The SADBU Specialists at both NRCCs visited, stated their beliefs that there is no formula for assigning goals. They both believed it is largely based on the

activity's past performance and the SADBUS' skills at negotiating achievable goals for themselves. [Ref. 10 & 23]

2. Small Business Act

The Small Business Act (15 U.S.C. 631) as amended, contains Congressional guidance on the many aspects of the various programs for promoting Small Business. Section 644 of the U.S. Code mandates that each Federal Agency establish an Office of Small and Disadvantaged Business Utilization. The Director of this Office is required to perform the duties and functions set forth in 15 U.S.C. 637 and 644. Among the responsibilities is the requirement to assign a Small Business Technical Advisor to each office to which the SBA assigns a Procurement Center Representative (SBA-PCR).

The Technical Advisor is the Small and Disadvantaged Business Utilization Specialist. When the Small Business Act was passed, the Congress envisioned that each Government procurement activity which annually issued contracts totalling $150 million or more would have an in-house SBA-PCR. Cut-backs in the size of Defense procurement, coupled with budget reductions at the SBA have reduced the number of DOD activities which currently have an SBA-PCR on site. [Ref. 11, 43 p. 694]

Many DOD activities now share an SBA-PCR with another DOD procurement activity. Many of the duties formerly performed by the SBA-PCR have been assumed by the SADBUS. This is often because the SBA-PCR is located physically at another DOD activity and may limit face-to-face contact to weekly, monthly or quarterly visits. Although the number of SBA-PCR personnel have decreased, the

reporting requirements have not. These cutbacks in SBA-PCR personnel force the SADBUS more into the role of being an Advocate for Small Business. In the past the SADBUS could rely on the on-site SBA-PCR to be the advocate and push an unpopular, but correct award to a Small Business. With this role now moving more to the SADBUS, Congress in 1987 strengthened the responsibilities of the SADBUS in the FY 1987 Defense Authorization Act (Public Law 99-661). [Ref. 26 p. 26]

The qualifications and duties of the Technical Advisor (SADBUS) include: [Ref. 43 p. 693]

1. Be a full-time employee of the procuring activity. Be well-qualified, technically trained and familiar with the services puchased at the activity.

2. The principal duty of the Technical Advisor is assisting the SBA-PCR carry out the duties laid out by 15 U.S.C. 637 and 644 (Small Business Act).

Summarized, Sections 637 and 644 of the Small Business Act require the SADBUS at procurement activities, to do the following:

1. Whenever appropriate, break-out items to be procured through full and open competition.

2. Ensure that any limits placed on competition due to technical data rights restrictions, are necessary.

3. Enter into contracts with the SBA for goods and services to be supplied by the Economically and Socially Disadvantaged Business firms under the Section 8(a) program.

4. Report on the Procurement Activity's contract awards detailing those actions which went to Small Businesses or Small and Disadvantaged Businesses (SDBs).

5. Develop plans to increase the number of awards to Small Businesses and SDBs.

6. Analyze contract awards made to Small Businesses and SDB's and

determine which types of procurements are not typically awarded to such firms.

7. Estimate fair market price for a good or service using cost or price analysis. (Awards to a SDB may exceed fair market price by 10 percent).

8. Address any questions to the SBA regarding the eligibility of a firm for participation in any Small Business, SDB or Section 8(a) program.

9. Make determinations in concert with the SBA, regarding the award of advance payments or extraordinary progress payments to a Small Business or an SDB.

10. Make provisions for marketing and/or technical demonstrations from Small Businesses, SDBs and Section 8(a) firms to representatives of the procurement activity.

11. Continuously monitor the performance of the procurement activity to meeting goals for contract awards to Small Business, SDBs and Section 8(a) firms.

12. Make required monthly, quarterly and annual reports to higher authority (Congress, Head of Agency, GAO) which detail the procurent activity's progress toward meeting or exceeding the goals assigned for awards to Small Business or SDBs.

Sections 637 and 644 of the Small Business Act further require that if the SBA and the procuring agency disagree on a Contracting Officer's decision regarding the award of a contract, the decision will be appealed to the Secretary of the Department or Agency head, as appropriate.

C. FEDERAL ACQUISITION REGULATION (FAR)

FAR Part 19.201(d) states that the SADBUS shall be appointed and act in accordance with agency regulations. Although a specific list of duties for the SADBUS are not delineated in the FAR, Part 219 of the DFARS provides that detail.

FAR Part 19 concerns itself with detailing what business firms can qualify as Small Businesses [size within a particular Standard

Industrial Classification (SIC), based on either annual sales or number of employees]. FAR Part 19 also explains terminology unique to this area and lays out procedures for awarding contracts to Small Businesses.

Both the Contracting Officer and the SADBUS will need to consult FAR Part 19 for various rules that detail how to conduct a set-aside, the solicitation provisions and contract clauses for Small Business and altered procedures for award of contracts when using a Section 8(a) firm.

D. DEFENSE FEDERAL ACQUISITION REGULATION SUPPLEMENT (DFARS)

Should the head of a DOD contracting activity be trying to determine if the activity's SADBUS was performing all duties expected of a SADBUS, DFARS Part 219 would provide the needed answers. In the DFARS [Part 219.201(d)(2)], twenty-seven duties are listed for the SADBUS. The Director or Commanding Officer of a contracting activity, upon appointing the SADBUS, will determine which twenty-seven duties are appropriate for that activity and include them in the SADBUS' Position Description.

In addition to assigning the SADBUS his/her duties, the appointing official must make the appointment of the SADBUS by name and in writing. The SADBUS is responsible directly to the appointing authority and shall not be subject to the direction of contracting personnel, contract administration personnel or technical personnel who generate the requirements.

The twenty-seven duties assignable to the SADBUS include the following: [Ref. 41 pp. 219.2-3-219.2-5]

1. Maintain a program designed to locate capable Small Business, SDBs and Labor Surplus Area Business sources for current and future acquisitions, through the SBA or using other methods.

2. Coordinate inquiries and requests for advice from Small Business, SDBs and Labor Surplus Area (LSA) Business concerns on acquisition matters.

3. Review acquisitions to insure maximum opportunity for participation by Small, SDB, Women-owned and LSA concerns, and to make recommendations for set-aside and Section 8(a) awards.

4. When Small Business concerns cannot be given an opportunity to compete because adequate specifications or drawings are not available, unless there are sufficient and valid reasons to the contrary, initiate action, in writing, with appropriate technical and contracting personnel to ensure that necessary specifications or drawings of the current or future acquisitions, as appropriate, are available.

5. Review acquisition programs for possible breakout of items suitable for acquisition from Small Business concerns.

6. Ensure that financial assistance available under existing regulations is offered and that requests by Small Business concerns for proper assistance are not treated as a handicap in the award of contracts.

7. Participate in determinations concerning responsibility of a prospective contractor whenever Small Business concerns are involved.

8. Participate in the evaluation of a prime contractor's Small Business, LSA and SDB subcontracting plans.

9. Review and make appropriate recommendations to the Contracting Officer on any proposal to furnish Government-owned facilities to a contractor if such action may hurt the Small Business Program.

10. Assure that participation of Small Business concerns is accurately reported.

11. Bring to the attention of the Department Director or Staff Director for Small and Disadvantaged Business Utilization possible contracting opportunites in LSAs.

12. Make available to the SBA, copies of solicitations when so requested.

13. When a bid from a Small Business, SDB or LSA firm has been rejected for nonresponsiveness or nonresponsibility, upon request,

aid, counsel and assist that firm in understanding requirements for responsiveness and responsibility so that the firm may be able to qualify for future awards.

14. Participate in Government-Industry conferences to assist Small Business, SDBs and LSA concerns, including Business Opportunity/Federal Procurement conferences, Minority Business Enterprises Procurement Seminars, and Minority Business Opportunity Committee meetings.

15. Advise potential suppliers regarding how they may obtain information about sealed bidding and negotiated acquisitions and that they may subscribe to the Commerce Business Daily as a source of information on proposed acquisitions.

16. Brief the Commander of the procurement activity at least once quarterly concerning the status of the installation's Small Business, SDB utilization and LSA programs in relation to goals and objectives established by higher headquarters.

17. Participate in the development, implementation and review of automated contracting systems to assure that the interests of Small Business, SDBs and LSA firms are fully considered.

18. Assist Program Managers as early as possible in the development cycle of major system acquisitions and system programs as they pertain to the Small Business programs.

19. Assist contracting officers in establishing criteria for and determining acceptability of Small Business and SDB concerns subcontracting plans submitted by Prime Contractors.

20. Assure that the installation's Small Business, SDB and LSA business programs are frequently publicized in the appropriate media.

21. Assure that the organization maintains a list of products and services which have been placed in repetitive Small Business set-aside status.

22. Provide Small Business, SDBs and LSA firms, information regarding assistance from Federal agencies such as the SBA, Office of Minority Business Enterprise, Bureau of Indian Affairs, Office of Economic Development, National Science Foundation, Department of Labor and others including state, trade and other associations.

23. Be responsible for establishing an education and training program for personnel whose duties and functions affect the activity's Small Business, SDB and firms located in LSAs.

24. Recommend to the Commander of the activity, the Small Business and SDB utilization overall goals and specific goals to be placed

on subordinate contracting offices, if applicable.

25. Participate in interagency programs relating to Small Business, SDBs and LSA matters as authorized by the Director of the Office of Small and Disadvantaged Business Utilization.

26. Advise and assist Contracting Officers in discharging their responsibilities by:

a. Monitoring and reviewing contractor performance to determine compliance with Small and SDB subcontracting plans.

b. Developing and maintaining records and reports that reflect such compliance or noncompliance.

27. Assist Contracting Officers to seek and develop information on the technical competence of Historically Black Colleges and Universities and Minority Institutions as defined by Subpart 226.70 of the DFARS.

In addition to these duties, DFARS Part 219.202-1 provides ten specific measures that the DOD shall take to encourage Small Business participation in DOD acquisitions. Although these measures are not completely the responsiblity of the SADBUS, (most often the Contracting Officer has the responsiblity), in all cases the SADBUS will need to assure they are being done. These ten measures are designed to broaden the industrial base consistent with the best interests of the Government.

The ten measures are: [Ref. 41 pp. 219.2-8-219.2-9]

1. Attempt to locate additionally qualified Small Business suppliers by all appropriate methods, including use of the assistance of the SBA, particularly where only a limited number of Small Business concerns are on the Bidders' Mailing List.

2. Give wide publicity to contracting methods and practices.

3. Publicize proposed acquisitions by use of advance notices or other appropriate methods outlined in the FAR Part 5.2.

4. Include all established and qualified potential Small Business Suppliers on mailing lists.

5. Send solicitations to all firms on the appropriate list, except where less than a complete list is to be used pursuant to FAR 14.205-4; then at least a pro rata number of Small Business

concerns shall be solicited.

6. Divide proposed acquisitions of supplies and services, except construction, into quantities not less than the economic production runs. This will permit bidding on quantities less than the total requirements; allow the maximum time practicable for preparation and submission of bids, proposals or quotations; where feasible, establish delivery schedules which will encourage Small Business participation.

7. Examine each major acquisition to determine the extent to which Small Business subcontracting should be encouraged or required.

8. Use Small Business concerns to the maximum extent feasible as planned producers in the Industrial Readiness Planning Program.

9. Maintain liaison with Federal, State (including Governor's Commissions), and local agencies and other organizations for the purpose of providing information and assistance to Small Business concerns.

10. Require that Contracting Officers emphasize the award of contracts to SDBs in all industry categories in which SDBs have not traditionally dominated.

The SADBUS will often times be responsible for the preparation of reports which provide statistics on the Small Business Programs. [Ref. 41 p. 219.2-9] In the Navy, this is done by completing the Individual Procurement Action Report (DD Form 350). Information on the DD Form 350 is entered into a data base maintained by NAVSUP for the NRCCs. This data base allows NAVSUP to compile statistics for all its activities for consolidation and reporting to the Secretary of the Navy's Office of Small and Disadvantaged Business Utilization. [Ref. 10, 19, 23]

The DD Form 350 is usually completed by the negotiator after a contract is awarded. Often the SADBUS will review the DD Form 350 for accuracy before it is entered into the NAVSUP data base. Also the SADBUS may be tasked with ensuring that all contract awards have a DD Form 350 on file and in the NAVSUP data base.

E. SPECIFIC DOD LEGISLATION

For the Department of Defense, significant changes to procurement legislation for Small Businesses occurred in Fiscal Year 1987 with the passage of the National Defense Authorization Act. The thrust of the new measures was designed to enhance the DOD's ability to meet the stated goal of awarding five percent of the dollar value of its contract awards to SDBs.

Section 1207 of the FY 1987 National Defense Authorization Act (Public Law 99-661) spelled out the new measures to be taken. One of the measures of the Act required that:

Contracting Officers will emphasize the award of Contracts to Section 1207(a) entities in all industry categories, including those categories in which 1207(a) entities have not traditionally dominated.

Section 1207(a) entities are defined as:

1. Small Business concerns including mass media owned and controlled by Socially and Economically Disadvantaged individuals. [Such disadvantaged individuals are defined by Section 8(d) of the Small Business Act 15 U.S.C. 637(d)]. Additionally, for these businesses to be recognized as 1207(a) entities, the majority of the earnings from these firms must accrue to the Socially and Economically Disadvantaged individuals. (This requirement, was to prevent the past abuses of Government Procurement programs where Socially and Economically Disadvantaged individuals were used as "front men" to win Government Contracts). Words in parenthesis added by researcher for clarity and emphasis.

2. Historically Black Colleges and Universities.

3. Minority Institutions as defined in paragraphs (3), (4) and (5) of the Higher Education Act of 1965 (20 U.S.C. 1058).

4. Types of contracts and types of funds within DOD covered by the five percent rule include: Weapons Procurement, Research, Development, Test and Evaluation, Operations and Maintenance and Military Construction.

The new requirements and goals of this Act for awards to Socially and Economically Disadvantaged Individuals, became the

responsibility of the SADBUS and the Contracting Officer to meet. Further, the SADBUS was directed to provide technical assistance to potential Section 1207(a) contractors. Assistance to be provided included information about the program, advice about DOD procurement procedures, instruction in how to prepare proposals and any other assistance considered appropriate by the Secretary of Defense.

Under this Act, awards may be made using less than full and open competition procedures, [including awards under Section 8(a) of the Small Business Act 15 U.S.C. 637(a)]. However, when making such an award, the DOD may not pay a price exceeding fair market cost by more than 10 percent. The SADBUS is often the individual who recommends this course of action and, along with the Contracting Officer, determines what is fair market cost.

The SADBUS is also responsible for compiling information on the Command's contract awards made to Section 1207(a) firms. This information is passed through channels to the Office of the Secretary of Defense, who reports the results to Congress each year.

When the DOD issued regulations to govern the implementation of the new Section 1207 requirements, the SADBUS acquired additional duties and responsiblities. Among them were the right to appeal to the Secretary of Defense, Contracting Officers' decisions not to set-aside requirements for the SDBs covered by Section 1207(a). The legislation also tasked the SADBUS to assist the Contract Administration Organization and the SBA in determining

whether the SDB should be given advance payments.

The SADBUS is further charged with maintaining current levels in the number or dollar value of contracts awarded under the Section 8(a) program and the Small Business Set-Aside program [Section 15(a) of the Small Business Act].

Congress envisioned expanding the total number of awards to SDB entities through passage of this section of the Defense Authorization Act. Therefore, the SADBUS and Contracting Officer must make every effort to provide new opportunities for contract awards to entities covered under Section 1207 of the National Defense Act.

When making awards to SDBs under Section 1207, the SADBUS and the Contracting Officer must give priority to Section 8(a) firms of the SBA for sole source contracting. The SADBU Specialist in DOD, is not allowed to remove procurement business from the Section 8(a) program in order to increase the awards to SDBs under Section 1207(a).

To provide more incentive for Contracting Officer support of the new program, Congress mandated that one factor to be used in evaluating the Contracting Officer's performance would be their ability to increase contract awards to Section 1207(a) firms.

F. SADBUS RESPONSIBILITIES IN OTHER DOD PUBLICATIONS

The Office of the Secretary of Defense has a Director of Small and Disadvantaged Business Utilization. The Director reports directly to the Deputy Secretary of Defense and is responsible for the overall management and direction of the DOD Small Business, SDB

Utilization and LSA programs.

To that end, the Director's office prepares a number of informational publications designed to educate Small Businesses about the opportunities in DOD and the procedures for qualifying for a DOD procurement. Additionally, the Director's office will compile an index of all SADBUS for the military, separated by geographical area. This listing will give the name, address, command telephone number and a brief description of supplies and services that the SADBUS and his command typically require.

The informational publication "Selling to the Military," portrays the SADBUS as the single point of contact for all the Small Businessman's needs when he is attempting to obtain a Government procurement contract. The publication emphasizes the SADBUS' role to be an advocate for Small Business with the Contracting Officer. Also the SADBUS' role to market these businesses to requiring activities is further emphasized.

The popularity of these publications with Small Businesses have given the SADBUS a great deal of visibility. These publications have solidified the role of the SADBUS as the point of contact for Small Business at the Government procurement activity.

Additionally, some SADBU Specialists have complained that the budget reductions at SBA have increased the amount of individual specific counseling they provide to hopeful Small Businesses. Specifically, for Section 8(a) firms, they complain that some SBA Business Opportunity Specialists do little more than give the firms a copy of "Selling to the Military" and a listing of the local

SADBUS.[Ref. 10 & 23]

Therefore many SADBU Specialists are finding themselves reviewing a Small Business firm's business plans and providing tips on marketing themselves to Government activities. All of these are roles assigned to the SBA and its Business Opportunity Specialists.

SADBU Specialists are normally the most visible person in the Contracting Organization to the general public. To properly carry out the role of the SADBUS, the greatest number of visitors (Small Businesses, technical personnel from requiring activities) to the contracting activity, should be for the SADBUS.

G. OPERATION OF THE PROGRAM

For the majority of the SADBU Specialists, the program revolves around attaining the Small Business goals for their commands. [Ref.10 & 23] Once the command has received the new goals from higher authority at the start of the new fiscal year, the SADBUS will develop the command's strategy for achieving the goals.

Normally certain types of contracts are set-aside by the Command for award to Small Businesses and SDBs. (Examples: Mess Attendant Services and Janitorial Services are typically set-aside for Section 8(a) firms). Contracts up for renewal, if being performed satifactorily by a Small Business entity will likely stay in the Small Business program.

After determining which contracts are up for renewal and other known contract actions underway, the SADBUS begins to get a clearer picture of how close they are to attaining their goals. The next

step in the process is to attempt to identify those procurement actions being planned by customer activities. By contacting PCOs, negotiators or employees of the customer activities, the SADBUS gets preliminary information on these planned procurements.

From this list of planned procurements, the SADBUS identifies candidates for the various Small Business programs. After identifying these procurements, the SADBUS lays the groundwork with the customer activity, the PCO and the negotiator to restrict the procurement to a Small Business program.

Customer activities who are pleased with the performance of Small Business firms on other contracts may themselves, request restrictions on new procurements. They normally will make such a request when the Purchase Request is placed with the NRCC or while they are developing the Statement of Work or the Statement of Service.

Small Businesses in the Section 8(a) program who market themselves to the NRCC's customer activities will identify requirements through their marketing efforts. Working through their Business Opportunity Specialist at their SBA District Office, a search letter is generated by the SBA. The search letter is typically sent to either the SADBUS, the SBA-PCR, the PCO or a combination of all three. Some search letters are sent to the Office of Small and Disadvantaged Business Utilization in the Office of the Secretary of the Navy, if the correct contracting activity is unknown by the Small Business. [Ref. 11]

The search letters request the NRCC to consider setting-aside

a particular requirement for the qualified Section 8(a) firm mentioned in the letter. Although the FAR directs the SBA to describe the requirement by providing a detailed technical description, the name of the requiring activity and a point of contact at that activity, this is often not the case. A further hindrance for the SADBUS, is many of these requirements mentioned in SBA search letters are procurements contingent upon the receipt of funding or have not yet been approved by the authorizing official.

The SADBUS can spend a good deal of time researching a search letter request, only to find out the proposed procurement has not been sent to the NRCC.

Despite the bad publicity the Section 8(a) program has received from abuses such as the WEDTECH scandal, it still remains popular with many customer activities. Many Section 8(a) firms have provided good performance in their areas of expertise. Some customer activities favor Section 8(a) set-asides, because they can often result in quicker contract award due to the streamlined solicitation and award process. [Ref. 10, 11, 12, 16]

H. SMALL BUSINESS ADMINISTRATION (SBA) INTERFACE

The Small Business Act (15 U.S.C. 631) opens with the following declaration of policy:

> The essence of the American economic system of free enterprise is free competition. Only through full and free competition can free markets, free entry into business and opportunities for the expression and growth of personal initiative and individual judgment be assured. The preservation and expansion of such competition is basic not only to the economic well-being, but to

the security of this Nation. Such security and well-being cannot be realized unless the actual and potential capacity of small business is encuraged and developed. It is the declared policy of the Congress that the Government should aid, counsel, assist and protect, insofar as is possible, the interests of Small Business concerns in order to preserve free competitive enterprise, to insure that a fair proportion of the total purchases and contracts or subcontracts for property and services for the Government (including but not limited to contracts or subcontracts for maintenance, repair and construction) be placed with Small Business Enterprises, to insure that a fair proportion of the total sales of Government property be made to such enterprises, and to maintain and strenthen the overall economy of the Nation.

The Small Business Administration was formed to carry out this policy. Later the Small Business Administration in 15 U.S.C. 637(a) was given the added responsibilities listed below for Small Business Concerns owned and controlled by Socially and Economically Disadvantaged Individuals:

1. Promoting the business development of Small Business concerns owned and controlled by Socially and Economically Disadvantaged Individuals so that such businesses can compete on an equal basis in the American economy.

2. Promoting the competitive viability of such concerns in the market place by providing available contract, financial, technical and management assistance as may be necessary.

The programs to assist Small Businesses through the Government's procurement function were also changed to include Socially and Economically Disadvantaged individuals. In addition to defining the criteria for determining who was Socially or Economically Disadvantaged, Congress also changed the goals for awards to Small Businesses. Congress mandated future procurements by the United States of articles, supplies, services, materials and construction work must include purchases from Small Business concerns owned by Socially and Economically Disadvantaged Individuals. The SBA was appointed by Congress to assist in this

effort and to monitor the Government's Procurement Offices performance through the resident SBA-PCR's.

To accomplish the various responsibilities assigned to it, the SBA has divided the United States into 10 Regions. Each of these Regions has a Regional Field Office headed by a Regional Administrator. Each region has a geographic area of responsibility, which is further divided into Districts. Each District Office is headed by a District Director who is responsible for all Small Businesses , SDBs and Section 8(a) firms in their district. [Ref. 11]

Appendix A provides a list of the 10 SBA Regional Offices and their geographic area of responsibility.

The Regional Office coordinates the activities of their District Offices. The Regional Offices assist the District Offices and the Government Procurement Offices in their identification and selection of SDBs and Section 8(a) firms to receive Federal Procurement Contract awards. [Ref. 11]

The District Office coordinates Small Business activity in their geographic area of responsibility and provides counseling and assistance services to the Small Businessmen located within its boundaries. The District Office also issues Certificates of Competency and make determinations whether firms qualify for the SDB or Section 8(a) programs. [Ref. 11]

Business Opportunity Specialists in the District Offices provide counseling and assistance to SDBs and Section 8(a) firms. The Business Opportunity Specialists review these firms' Business

and Marketing plans, while providing points-of-contact in private industry and Government procurement.

The Business Opportunity Specialists provide these points-of-contact to help these firms focus their marketing efforts on organizations who are likely to purchase their goods and services. For Government procurement organizations, the point-of-contact is the SADBUS and the cognizant SBA-PCR. [Ref. 11]

The SBA is the advocate for the Small Businessmen. Most of the NRCC interface with the SBA is as a recipient of the advocate's message. Through search letters, phone calls and the work of the SBA-PCR, the SBA attempts to ensure their Small Business Clientele is given a fair evaluation by the NRCC.

Due to the SBA's Regional and District structure, some of the SBA Offices are stronger advocates for their clients than others. However, the advocacy role normally takes only one form. Usually the SBA Office will concern itself solely with touting specific firms for specific requirements. The SBA Offices are of little usefulness if the SADBUS is attempting to find a firm to fill a requirement. Other than providing catalogues of qualified Small Businesses and being able to access PASS, the SBA gets low marks from the SADBU Specialists on their ability to find a firm in response to an NRCC inquiry. [Ref. 10 & 23]

The SBA gets low marks when the NRCC is trying to find Small Businesses in non-traditional lines of work. The SBA District Offices are often incapable of finding firms to respond to more technically complicated NRCC inquiries. The NRCCs find that Small

Businesses are usually confined to relatively few, low technology SICs, largely due to the capital requirements necessary to start a high technology firm. [Ref. 10, 11, 12, 16 & 23]

I. SUMMARY

Through the examination of the background of the SADBUS program, the researcher has shown that the role of the SADBUS is defined by Public Law (15 U.S.C. 631 and 10 U.S.C. 2301). The procurement regulations (FAR Part 19 and DFARS Part 219) also help to shape the role of the SADBUS in the Federal Procurement organization.

With all the supporting documentation defining the SADBU Specialist's role, it is surprising that many of these positions have a narrow area of responsibility. Many laymen and even some Federal Procurement professionals believe the SADBUS role is solely to achieve the Small Business goals for the procurement organization.

A SADBUS who believed that achievement of the goals was their only role, would be performing a small portion of the SADBU Specialist's function. A good deal of their time should be spent performing public relation functions for the command. Much of the SADBUS efforts in this area may never result in a contract award to a Small Business firm. However, if these functions are not performed, Congressional statutes and regulatory guidance directing the SADBUS to be an advocate for Small Business are being ignored.

A good deal of the successful SADBU Specialist's time should be spent on public relations matters, demonstrating their

procurement organization supports Small Business and advocates awards to them whenever possible. This is translated into action through the SADBU Specialist's appearance at job fairs or the SADBUS inviting Small Businesses into the command to give marketing presentations.

The SADBUS also ensures that internal procedures are not slanted against the identification and award of procurement contracts to Small Businesses. The SADBUS also performs market research to identify Small Business firms capable of accomplishing work identified in forthcoming requirements.

The background for the SADBUS program has been laid out. Chapter III will now provide some specific information on the two NRCCs and their SADBU Specialists.

III. THE ROLE OF THE SADBU SPECIALISTS AT THEIR NAVAL REGIONAL CONTRACTING CENTERS

A. INTRODUCTION

Before a comparison of the roles of the two SADBU Specialists being studied can be accomplished, some background information on the individuals and their organizations should be presented.

The two organizations were chosen for this thesis due to their similarities and because they provided the researcher full access to both the SADBU Specialists and the Small Business Programs' files. Both organizations are Navy Centers of Excellence for the procurement of ADP equipment and services. Both serve a varied client base, but count on a number of technical organizations for large portions of their work.

In addition, responding to Navy initiatives to make the NRCCs self-supporting, both activities receive reimbursable funding from some organizations for whom they perform a variety of contracting functions. Therefore, the SADBU Specialists must always temper achievement of their goals for contracts awarded to Small Businesses, with the need to satisfy the customers who partially fund their salaries.

Both NRCCs issue contracts for Engineering Technical Services and Program Support Services which have often been the source of awards to Small Businesses in the various socio-economic programs. Mess Attendant and Food Service Contracts are also awarded by each NRCC and traditionally these contracts are set-aside for award to Section 8(a) firms.

Neither NRCC awards Janitorial Services Contracts for their

geographical area; deferring instead to the local Naval Facilities Engineering Command (NAVFAC). However, NRCC San Diego Det Long Beach does award the Janitorial Services Contract for the space they occupy at the Long Beach Naval Station. This practice began only recently, after receiving unsatisfactory performance from the contractor selected by NAVFAC. [Ref. 23]

What prompted this examination of the role of the two SADBUS is the ongoing effort at NRCC Philadelphia to adopt the precepts of Total Quality Management/Total Quality Leadership (TQM/TQL). Currently in its initial stages, the adoption of TQM/TQL is beginning with an examination of the organization's operation. Each area of the organization is being examined by a Corrective Action Team (CAT); to define the processes which govern the area's performance.

Once each process has been identified and separated into its discrete parts, the CAT tries to identify whether improvements need to be made in the process. If the process requires improvement, the discrete parts are examined to determine where deficiencies exist that weaken performance.

After a deficiency is found, the impact is assessed and recommendations are made by the CAT to correct it. One way to improve a deficient area is to study a similar organization performing the same function. By studying the sister organization, solutions may be found to the problems uncovered by the CAT. [Ref. 15]

At NRCC Philadelphia, the SADBUS and his role in the

organization were singled out for review by the researcher. Although the command is pleased with the performance of the SADBUS, some questioned whether the job could not be restructured to yield even better results for the NRCC Philadelphia organization.

After consultation with Navy procurement officials, it was decided that NRCC San Diego Detachment Long Beach had a stable SADBUS program in place. By analyzing how the SADBUS in Long Beach performed her job, it is hoped that some new ways of performing the SADBUS function at NRCC Philadelphia might be learned and later implemented.

B. NRCC PHILADELPHIA

NRCC Philadelphia is located on the Philadelphia Naval Base in South Philadelphia. Currently there are 170 employees, four of whom are Navy Supply Corps Officers, and the remainder are civilian employees of the Navy Department. The dollar value of contracts obligated and awarded in FY 1991 totalled $600 million. [Ref. 17]

NRCC Philadelphia has a Small Purchase Operation which handles all procurements with a total dollar value under $25,000. The Directorate for Contracts handles all procurements over $25,000. The command is currently headed by a Navy Supply Corps Captain, who has more than 15 years experience in various areas of Government contracting and acquisition. [Ref. 15]

Like many Navy Field Contracting activities, NRCC Philadelphia has begun to aggressively market itself, offering to provide contracting services to a variety of Navy technical activities. In exchange for these contracting services, many of the technical

activities provide financial support to NRCC Philadelphia through reimbursable funding transfers. In the future, NRCC Philadelphia will be expected to fund more of its operations through these reimbursable funding mechanisms. [Ref. 17 & 20]

NRCC Philadelphia is recognized by the Navy as a Center of Excellence for ADP procurement. One entire section (Code 022, headed by a GM-14 with four GM-13 PCOs) of the Contracts Directorate procures nothing but ADP Equipment and related services. In addition to ADP, NRCC Philadelphia procures Engineering Technical Services, a variety of Medical Services and provides support for fleet activities. [Ref. 17] A listing of some of their top customer activies from FY 1990 follows: [Ref. 14]

1. Naval Air Systems Command Engineering Services Unit (NASEU), Philadelphia, PA.
2. Naval Ship Systems Engineering Station (NAVSSES), Philadelphia, PA.
3. Naval Medical Material Support Command (NMMSC), FT Detrick, MD.
4. Philadelphia Naval Shipyard (PNSY), Philadelphia, PA.
5. Aviation Supply Office (ASO), Philadelphia, PA.
6. Navy Fleet Material Support Office (FMSO), Mechanicsburg, PA.
7. Navy Technical Training Center (NTTC), Pensacola, FL.
8. Naval Sea Systems Command Logistics Center Detachment, Philadelphia, PA.
9. Naval Electronics Systems Command Engineering Activity (NESCEA), Philadelphia, PA.
10. Naval Sea Systems Command (PERA Cruiser Destroyer), Philadelphia, PA.
11. Naval Supply Systems Command (NAVSUP), Washington, D.C.
12. Naval Air Engineering Center (NAEC) Lakehurst, NJ.

1. SADBUS Position at NRCC Philadelphia

The incumbent SADBUS has been in the position approximately two and one half years. The previous individual to occupy the SADBUS position had only held the position approximately five

months when he left to take another contracting position with one of the DLA activities in the Philadelphia area. [Ref. 10]

The SADBUS position is now designated by the Command to rotate approximately every three years among a pool of GM-13, GS-1102 professional series contract specialists. Previous to these events, the position had been held by one individual for over eight years. The current rotation policy started when this individual expressed a desire to leave the Small Business area and resume duties as a Procuring Contracting Officer (PCO). [Ref. 10, 14, 17]

The rotation policy was adopted to expand the professional knowledge of the workforce. It also provides an opportunity to develop other job rotation possibilities at the GM-13 level for GS-1102 series employees. The rotation policy allows the NRCC to increase the breadth and depth of knowledge of its GM-13, GS-1102 series employees: to groom them to eventually succeed one of the GM-14, GS-1102 series Branch Heads in the Contract Directorate. [Ref. 17]

Due to a variety of factors, there has only been one GM-14, GS-1102 series position to open in the NRCC Philadelphia organization in the last five years. The job rotation policy was therefore also viewed as one way to prevent worker boredom at the GM-13 level. By challenging these workers with new assignments, NRCC Philadelphia hopes to prevent an exodus of talent through lateral transfers to other Government procurement activities in the area. [Ref. 17]

NRCC wishes to retain these employees to fill GM-14, GS-1102

series positions, which will eventually open, as the incumbents retire. Retention of workers at NRCC Philadelphia has become a problem as the downsizing of the Defense budget has caused the number of positions at NRCC Philadelphia to shrink. Budget constraints have forced the command to leave some positions unfilled; forcing workers seeking paths to advancement in Government service to apply for openings at other Federal Government procurement activities in the area. Within the last two years, NRCC Philadelphia has lost workers to the General Services Administration (GSA), Defense Personnel Support Center (DPSC), Defense Industrial Supply Center (DISC) and Aviation Supply Office (ASO). [Ref. 17]

While the job rotation policy will not lead to advancement or result in any worker receiving higher pay, it is one measure that can be used to prevent worker disenchantment. It is particularly useful when opportunities for promotion within the organization are currently low, due to the small likelihood of any GM-14, GS-1102 positions becoming vacant within the organization.

More workers have not left NRCC Philadelphia for two reasons:

1. Due to the contraction of opportunities in Government Procurement, the likelihood of transferring to another activity for a promotion (higher Civil Service grade in the GS-1102 Professional Series) are slim. Some of the transfers that do occur are often lateral moves to another Command at the same pay grade. The workers who have made these moves, largely do so because they believe there are better promotion opportunities at the new activity. Even if promotion opportunities are no better than at NRCC Philadelphia, they may still leave, believing that their duties at the new activity will enhance their professional development as a GS-1102 Contracts Specialist.

2. Most of the workers view NRCC Philadelphia as a desirable place to work. The location of the facility, the accessible parking and

the congenial working conditions are viewed as positive aspects of the command. Additionally, employment at NRCC Philadelphia is often a family tradition where siblings, parents and children and in-laws are part of the workforce. Also many employees are neighbors which contribute to a large number of carpools, lowering their commuting expenses. [Ref. 17]

Therefore, if the command should end the rotation policy for the SADBUS position it is unlikely that there will be a mass exodus of employees unless the possibilties for employment elsewhere become more attractive.

The current SADBUS has been at NRCC for more than ten years. The SADBUS shares his office with the SBA-PCR, who is on site at NRCC although she serves two other Commands as their SBA-PCR. Their common office is located off the main corridor on the first floor of the East wing of Building 600 at the Philadelphia Naval Station. [Ref. 11]

The office space is small for two people, no more than 10 feet by 12 feet. A partition between the two occupants' desks and two filing cabinets leave little room to move around in the office. The furnishings are modular furniture now popular in many Government offices due to the proliferation of personal computers. Each occupant has their own personal computer which is tied into the Command's Management Information System. Despite the large number of visitors to the SADBUS and the SBA-PCR, the space is not adequate for receiving more than one visitor.

A meeting to be attended by the SADBUS, SBA-PCR, a Small Business representative and either a negotiator or a PCO, cannot be accommodated while providing the opportunity for all participants to maintain eye contact. There is inadequate table surface space

or wall space to properly accommodate a marketing presentation that includes visual aids.

The initial impression of the office surroundings convey little of the importance of the Small Business Program or how seriously the attainment of the program goals are supported by all members of the command. There is no waivering in the command's support of attaining the goals assigned by NAVSUP. The Commanding Officer takes his responsibilities under the program so gravely, that he requires the SADBUS to attend each Contract Review Board (CRB). The Commanding Officer wants the SADBUS available to answer any question on the Small Business considerations for each procurement action. [Ref. 10, 15, 17]

Despite the requirement to attend every CRB, and other indications that the SADBUS and his contributions are valued by the command, there are some areas that could possibly be improved. The SADBUS position does not have any direct administrative or clerical support provided to him by the command. Despite the heavy demands on both the SADBUS and the SBA-PCR to be away from the office, there is no one designated to answer their phone in their absence. Both the SADBUS and the SBA-PCR work an Alternate Work Schedule (9 days over a 10 work day period) and also are out of the office at least part of one day each week attending Small Business Fairs, technical demonstrations or other conferences related to promoting Small Business.

Both the SADBUS and the SBA-PCR need to be accessible to their clientele, even when they are away from the office; the members of

the Small Business community rely upon them to provide information on opportunities in Government procurement. One simple solution would be to purchase an answering machine for the SADBUS and SBA-PCR's office. However, office space is also available in the Executive wing which would afford the SADBUS a more spacious office by himself, plus adequate space and furnishings to accommodate five people for a meeting. The SBA-PCR could be given the former joint office, while the SADBUS would be in the Executive Wing and have full-time access to administrative and clerical support services.

The empty office in the Executive wing is furnished with higher quality, executive-style furnishings than the present office for the SADBUS. The furnishings, additional space and atmosphere all project the image of a program important to the functioning of NRCC Philadelphia, while being appropriate for the large number of visitors the SADBUS receives on a routine basis. The office in the Executive Wing is more appropriate for someone like the SADBUS whose job entails a great deal of contact with the general public.

Although the SBA-PCR has been given a computer terminal to access the SBA's Procurement Automated Service System (PASS) and a dedicated phone line is in place, PASS cannot be brought on-line until a modem is provided. Currently, if either the SBA-PCR or the SADBUS desire information on Small Businesses available through PASS, a request must be made for the information from the SBA District Office in King of Prussia, PA. After the search of PASS is completed, the District Office mails the printouts to NRCC Philadelphia. Turn-around from date requested to date received is

normally two working days. Facsimile transmission of data is also available if the information is needed expeditiously. [Ref.10 & 11]

The current situation is not ideal because it stifles market research from being done. It also prevents the SADBUS or SBA-PCR from being able to answer questions immediately. Finally, the impreciseness of the assignment of SICs, often forces researchers to query PASS multiple times, using a different SIC each time to find capable Small Business entities. Also, getting immediate feedback from PASS, which is only available by having hands-on access to it, allows the individual performing market research to quickly discover whether he can restrict a procurement. PASS can tell the Market Researcher that the procurement can be restricted not only to a Small Business entity, but also he may be able to restrict it to only firms in one SBA District or SBA Region.

Marketing and technical data provided by small business firms to the SADBUS are not stored in any logical manner to provide a meaningful research aid. Storage by type of firm [Small Business, SDB or Section 8(a)] grouped within SIC or Federal Supply Classification Code (FSC) would be one useful method.

The most reliable information on capable Small Business firms can be found by consulting with PCOs and negotiators who make repetitive procurements in a particular field. The information possessed by the SBA-PCR or the SADBUS on qualified firms is committed only to their short-term memories or files tracking Small Business awards made in the previous twelve months. Reliable

information on firms that have never received a contract from NRCC Philadelphia is usually not available. When queried by the researcher on how he would pursue finding a qualified Section 8(a) firm capable of providing ADP Management Services, the SADBUS replied that he would most likely contact the PCO in Section 022 that typically handles such procurements and ask the PCO if he knew of any such qualified Section 8(a) firms.

The SADBUS at NRCC Philadelphia spends about 40% of his time researching future possible procurement actions and the possibility of Small Business involvement. This function is critical to the SADBUS role of tracking the command's current performance versus assigned goals. Also, through this advanced planning using information provided by customer activities, the SADBUS has made his plans at the beginning of the fiscal year for attaining the command's Small Business goals. Should a requirement earlier designated for Small Business programs disappear or be reduced in scope, the SADBUS will need to find a procurement to replace it. [Ref. 10]

The remainder of the SADBUS' time is spent reviewing every Contracting Officer's recommendation for procurements over $25,000, attending each Contract Review Board, attending marketing demonstrations or technical demonstrations, making appearances at Small Business Conferences and interfacing with the SBA or the Navy Small Business Offices on matters relating to attainment of the command's assigned goals. [Ref. 10]

When the SADBUS reviews a Contracting Officer's recommendation

for a procurement (keep it unrestricted or make it restricted), he must balance the Contracting Officer's desires for the procurement with the command's goals for awards to Small Businesses and SDBs. If the decision is made to restrict the procurement to a Small Business, the SADBUS must advise the Contracting Officer on whether there should be any limitations on the number of Small Business firms which will be allowed to compete. If the Contracting Officer decides to restrict the procurement to only Section 8(a) firms, then either the SADBUS or the PCO should have a particular firm in mind to pursue for such a set-aside. If they do not have a particular firm in mind they can seek assistance from the SBA-PCR. However with no on-line access to PASS, she has little more to offer than her memory and the points-of-contact in industry and the SBA that she has established with the longevity in her position.

The SADBUS at NRCC Philadelphia does not belong to the National Contract Management Association (NCMA), nor does he belong to any business-Government councils designed to increase the particpation of Small Business in Government procurement.

2. Summary

The SADBUS' position at NRCC Philadelphia is hurt by the rotational policy instituted to staff the position from a pool of GM-13, GS-1102 Series employees. The continuity and experience that come with the longevity of permanent staffing of a position, are currently lacking in the SADBUS position at NRCC Philadelphia.

The professional stature of the SADBU Specialist's position needs to be improved. The SADBUS' office and its furnishings are

inadequate for someone with a position so highly visible to the public.

Initiatives to increase the use of market research techniques need to be instituted. The SADBUS needs to become the central depository for information on Small Businesses and their capabilities. Currently the individual PCO's and negotiators hold this information. Too often the SADBUS is relying upon their judgments regarding available sources in the market place, rather than evaluating the information himself and arriving at his own conclusions. Unless the SBA-PCR has developed information on available sources for a particular procurement, the SADBUS usually relies upon the recommendation of the PCO or negotiator. [Ref. 10 & 12]

This system has been adequate in the past because NRCC Philadelphia's goals have always been attained. The SADBUS has typically not had to aggressively insist on more procurements being restricted to the Small Business programs.

C. NRCC SAN DIEGO DETACHMENT LONG BEACH

Located in Building 53 on the Naval Station, Long Beach California, NRCC San Diego Det Long Beach occupies most of one floor of a large converted warehouse. The Small Purchase Branch of Naval Supply Center (NSC) San Diego Det Long Beach occupies the remainder of the floor. The NRCC Detachment in Long Beach is headed by an Officer-in-Charge who is a Navy Supply Corps Commander. The remaining 80 employees are civilian employees of the Department of the Navy. [Ref. 23]

The Long Beach Detachment is part of NRCC San Diego which is commanded by a Navy Supply Corps Captain. The Detachment at Long Beach at one time was its own NRCC and included a Small Purchase function. When the consolidation of NRCC Long Beach with NRCC San Diego occurred, the Small Purchase function was made a branch of the Naval Supply Center (NSC) San Diego Detachment in Long Beach. Therefore, NRCC San Diego Det Long Beach only handles procurements with a total value in excess of $25,000. [Ref. 23]

During FY 1991, the dollar value of contracts obligated and awarded by NRCC San Diego Det Long Beach equalled $445 million. Significant customer activities in FY 1991 included the following seven organizations: [Ref. 23]

1. Pacific Missile Test Center (PMTC), Point Magu, CA.
2. Navy Ships Weapons Systems Engineering Station (NSWSES), Port Hueneme, CA.
3. Long Beach Naval Station (NAVSTA), Long Beach, CA.
4. Long Beach Naval Shipyard, Long Beach, CA (NSYLB).
5. Naval Surface Group Detachment, Long Beach, CA.
6. Naval Air Station (NAS), Point Magu, CA.
7. Mare Island Naval Shipyard (MINSY), Vallejo, CA.

Like its counterpart in Philadelphia, NRCC San Diego Det Long Beach also receives reimbursable funding from some of its customer activities. It too is expected to increase the levels of reimbursable funding in the future. [Ref. 23]

With the downsizing and consolidation of the DOD, NRCC San Diego Det Long Beach is facing competition for some of its customers. Naval Weapons Center, China Lake, CA is currently arguing that their expertise in aviation, avionics and weapon systems make them a more logical choice than NRCC San Diego Det Long Beach to perform the contracting function for Pacific Missile

Test Center. Other activities have requested that their procurement authority be raised above current monetary thresholds, which could further erode the NRCC San Diego Det Long Beach customer base. [Ref. 23]

1. NRCC San Diego Det Long Beach SADBUS

The incumbent SADBUS at NRCC San Diego Det Long Beach has been in her position since 1980. Before taking the SADBUS position she was a negotiator in the Contracts Division. In addition to her Government service at Long Beach, she has worked in the procurement field at Health Education and Welfare (HEW) in Washington D.C. She has also worked in the procurement field for DOD at the Pentagon. Her total Government service is over 25 years. Barring any relocation of the command out of Long Beach, she expects to remain in her current position as the SADBUS until her retirement from Government service. [Ref. 23]

In addition to overseeing the SADBU program at Long Beach, she is responsible to the Commanding Officer of NRCC San Diego for the overall performance of the SADBU program at the NRCC. She is assisted by a part-time SADBUS located in San Diego who manages the day-to-day program there, while also running the Equal Employment Opportunity Program. The SADBUS in Long Beach maintains contacts with the Commanding Officer in San Diego during his quarterly visit to Long Beach. Monthly reports tracking the progress of the SADBU program are forwarded to him. [Ref. 23]

Unlike NRCC Philadelphia, the SBA-PCR is not located on-site at NRCC San Diego Det Long Beach. The SBA-PCR responsible for NRCC

San Diego Det Long Beach, also covers the Air Force Space Command in Los Angeles, where he is also physically located. The SBA-PCR usually visits NRCC San Diego Det Long Beach once per quarter and relies on mandatory reporting requirements to keep abreast of the SADBU program at Long Beach. [Ref. 23]

The SBA-PCR formerly was located at NRCC San Diego Det Long Beach. When the incumbent left that position five years ago, the replacement set up his office at Space Command, due to the emergence of the Strategic Defense Initiative (SDI) programs.

NRCC San Diego Det Long Beach believes that keeping one person in the SADBUS position not only provides continuity but also provides the other following positive results: [Ref. 23]

a. The longer the SADBUS is in that position, the greater the number of contacts will be made with representatives of Small Business, the SBA and customer organizations.

b. Longevity allows the SADBUS to build rapport with the members of the technical community who form the largest group in the NRCC's customer activities.

c. Longevity means the SADBUS gets to the know the PCOs and negotiators at the NRCC. Over the course of time, the SADBUS learns who are supporters of the SADBU program and understands the importance of making awards to the designated firms. When coming up against requirements to award a contract as expeditiously as possible, the SADBUS needs to know who will give an honest assessment of whether the procurement should be restricted or unrestricted.

d. Longevity is needed due to the complexity of the rules governing the Small Business programs. The SADBUS is asked daily to render many decisions on whether a procurement should be restricted or unrestricted. Intimate knowledge of these rules is needed in order to render the decision in a time-constrained environment.

e. Longevity usually translates into respect for the SADBUS. One of the requirements of the SADBUS position is to sell the benefits of the SADBU program. An effective salesperson is often the one who achieves the greatest levels of confidence in them from their

customers. The SADBUS must not only advocate and sell the program to the NRCC PCOs and negotiators, but also to the technical organizations which are the majority of the customer activities.

f. Longevity and a track record of performance results in technical personnel calling the SADBUS at NRCC San Diego Det Long Beach before the Procurement Request (PR) is submitted. They discuss with the SADBUS possible restrictions or set-asides on the procurement. Often the technical personnel will suggest possible set-asides to Small Business which would be acceptable to them. Information gained from Marketing and Technical presentations given by Small Businesses are often incorporated into the customer activity's recommendation to the SADBUS. It is the availability of such information, provided unsolicited which makes a SADBUS effective in their position. (The groundwork for a set-aside is often laid by the SADBUS and the customer activity even before the PCO may be aware of the requirement).

At NRCC San Diego Det Long Beach, the SADBUS office is located in the Executive section near the office of the Officer-in-Charge and the Deputy Director who is a GM-15, GS-1102 Professional Series. The SADBUS has clerical support to type her correspondence and to answer her phone. The SADBUS also has an answering machine to leave voice mail messages.

The SADBUS' photo is prominently displayed on the command picture board at the public entrance to the NRCC offices. The SADBUS is also assigned a parking space next to the building's entrance, a sign clearly identifies the space belongs to the NRCC SADBUS and there is a second one for visitors to the SADBUS.

The SADBUS' office measures 15 feet by 10 feet with Executive style furnishings that are well maintained. Various awards from NAVSUP and the SBA for achievement of Small Business goals adorn the walls. The office is uncluttered with a variety of publications for Small Businesses neatly arranged on side tables.

A meeting for five people can be accommodated comfortably in

her office. Larger meetings can be held in a number of nearby well-equipped conference rooms. A large meeting room is also available in the NRCC spaces, should the SADBUS wish to conduct a training session for interested Small Businesses or accommodate a large number of customer activities who wish to attend a technical or marketing presentation by a Small Business.

Marketing information, supplied by interested Small Businesses, is filed by type of firm [Section 8(a), SDB or Small Business] and is grouped by SIC. Numerous SBA publications from SBA Regional Offices identifying SDB and Section 8(a) firms are neatly arranged in a bookcase. A professional image with a high regard for the SADBU programs which are being advocated is projected by the office environment.

The SADBUS at NRCC San Diego Det Long Beach does not have direct access to the SBA's Procurement Automated Service System (PASS) at her location. If she desires a retrieval of information from PASS, she will request it either from her SBA-PCR or from a point of contact in the local SBA District Office in Los Angeles. Using parameters supplied by the SADBUS, the SBA-PCR or SBA District Office staff will query PASS and send the information by mail. [Ref. 23]

The SADBUS believed that other methods she used to gather information on Small Businesses were more effective than querying PASS. However, she did admit that if PASS was more accessible (so that she could interact with the data base on-line) she would use it more frequently. Her limited past usage of PASS (usually no

more than one query per month) left her unsure whether information out of PASS was useful as a market research tool. [Ref. 23]

The SADBUS at NRCC San Diego Det Long Beach is an active member of NCMA (past officeholder in the area chapter) and is a recent (1990) President of the Southern California Small and Disadvantaged Business Utilization Council. The Council is composed of members from Government and Industry in the field of Government Procurement. The purpose of the Council is to promote the Small Business programs of the United States. Its principal objective is to ensure Small Businesses are given adequate opportunities to share equitably in the award of contracts and subcontracts resulting from Federal procurement activities. [Ref. 23 & 42]

In addition to her duties as SADBUS, the incumbent has taken on a reorganization and updating of the Command's Bidders' Mailing List. All firms on the Bidders' Mailing List are being queried, by form letter, to ascertain whether they still wish to remain on the list. New Solicitation Mailing List Applications (SF-129s) are sent with each form letter, in order to obtain updated information on each business.

2. Summary

The SADBUS at NRCC San Diego has been in her present job since 1980. She attributes much of her success to the continuity and longevity she has had in her position. She firmly believes that only through the development of long-term relationships with customer activities, the SBA, the NRCC Staff and the Small Business

Community can a SADBUS be effective in their position.

Similarly the SADBUS at Long Beach believes that in order to be effective in her position, she must ensure that the image she projects is professional, reflecting her status in the organization as a decision-maker who merits the Commanding Officer's unswerving trust. She also recognizes that the role of the SADBUS is constantly evolving. Practices which were acceptable five years ago are no longer acceptable. The SADBUS position forces the office holder to constantly update the methods for accomplishing the job.

D. SUMMARY

This chapter has examined how the two NRCCs are organized and how they have structured the roles of their SADBU Specialists. NRCC Philadelphia has instituted a policy whereby the SADBUS position will be rotated among a pool of GM-13, GS-1102 Series employees. NRCC Philadelphia believes the rotation policy provides valuable experience to employees and will contribute to increasing their breadth of knowledge in the contracting field.

NRCC San Diego Det Long Beach has had the same SADBUS for over 10 years. Their SADBUS believes that stability in the SADBUS position is beneficial and integral to a successful SADBU program at a NRCC.

Neither SADBU Specialist has access to PASS in their office and must work through the SBA to get information out of PASS. The delay in receiving the information often causes both of them to dispense from requesting information from this source. NRCC

Philadelphia can bring PASS on-line much sooner than NRCC San Diego Det Long Beach.

The facilities for the SADBUS at NRCC San Diego Det Long Beach are more appropriate to the responsibilities and importance of the the position than are the facilities for the SADBUS at NRCC Philadelphia. The furnishings and size of the SADBUS' office in Long Beach are more appropriate for the large number of visitors she routinely hosts, than the SADBUS' office in Philadelphia.

The SADBUS at NRCC San Diego Det Long Beach aggressively administers her Small Business programs. She has built a strong reputation of proven performance within her own organization, with the NRCC's customers and with the Small Business community. She often is involved with the decision to make the procurement restricted or unrestricted during the preliminary stages of planning it. She is frequently consulted by customer activities and her own PCOs even before a purchase request has been received at the NRCC.

The SADBUS at NRCC Philadelphia relies heavily upon the experience of the PCOs and negotiators when determining if there are sufficient Small Business sources to restrict competition on a procurement or even do a set-aside. The PCOs and negotiators often have more information on the availability and capabilities of Small Business sources than the SADBUS. This is due to the repetitive procurements for similar items or services which they often have, building their expertise on discrete market segments. [Ref. 10, 12, 16]

Chapter IV will explore whether these similarities and differences contribute to one SADBUS being more efficient and effective in their role in their organization. The comparison of how each SADBU Specialist performs their duties follows, along with an assessment of the impact these differences make on the NRCC's overall performance.

IV. COMPARATIVE ANALYSIS OF THE SADBU SPECIALIST'S ROLE IN THEIR ORGANIZATION'S STRUCTURE

A. DESCRIPTIONS OF SADBU SPECIALISTS' POSITIONS

1. Introduction

As the Small and Disadvantaged Business Utilization Specialist, both individuals act as the primary representative of the Commanding Officer for the Small Business Advocacy Program at their respective Naval Regional Contracting Centers (NRCCs). Their responsibilities include the development, implementation and oversight of programs designed to help foster the participation of Small Businesses in procurement actions at their NRCCs.

Each SADBUS is required to develop and implement Small Business programs, policies and procedures. Their Commands expect them to keep abreast of any changes in legislation or procurement regulations which affect the Small Business programs. To stay aware of such changes the SADBU Specialists are expected to maintain personal contacts with individuals in the Department of the Navy (at both NAVSUP and the Office of Small and Disadvantaged Business Utilization) and with the Small Business Administration.

Both SADBU Specialists are required to review every Contracting Officer's recommendation on each procurement action which exceeds $25,000. Each of them is required to annotate the contract purchase file document control sheet to indicate that they have reviewed the recommendation of the Contracting Officer. No procurement shall go forward if the SADBUS indicates a disagreement with the action the Contracting Officer is recommending. In those cases where there is disagreement and it cannot be resolved by

mutual assent of the parties, the Commanding Officer will make a determination.

Under DOD's implementation of Public Law 99-661, the SADBUS can appeal the Commanding Officer's decision to the Secretary of Defense. The SADBUS can appeal if he/she believes the Commanding Officer's actions are not warranted and unfairly injures the Small Business Programs. [Ref. 26 p. 26]

2. Setting Annual Small Business Goals for the NRCC

In 1978, the Congress enacted Public Law 95-507 which mandated that the head of each Federal agency, after consultation with the SBA, establish realistic goals for each fiscal year for the award of contracts and subcontracts to Small Businesses and SDBs owned and controlled by Socially and Economically Disadvantaged individuals. [Ref. 8 p. 87] In 1988, the Congress passed Public Law 100-656 which mandated the DOD award 20 percent (of the dollar value) of its contracts to Small Businesses, with 5 percent of all the awards going to SDB's. [Ref. 9 p. 47]

With the passage of these two laws, the role of the SADBUS in DOD was altered, with many of them no longer concerning themselves with the development of Small Business. Many SADBU Specialists became concerned only with achieving the goals that they were assigned. In some instances, Small Business development was sacrificed, so that contracting activities could achieve their goals. [Ref. 23]

In separate articles written for the National Contract Managment Journal, Dennis E. Black and Robert W. Menestrina

criticize the Public Laws that resulted in the goals for awards to Small Businesses and SDBs. In his article, Black provides evidence showing that the goal-setting procedures result in the DOD and other Federal Agencies paying higher contract prices and higher contract administration costs, for those awards made to Small Businesses and SDBs. [Ref. 8 p. 102]

In his article, Menestrina ridicules the entire program of assigning goals for the award of contracts to Small Businesses and SDBs. Menestrina cites facts from Government and private studies that indicate there are insufficient quantities of minority firms in the United States, selling the types of goods and services that the DOD buys, to support the 5 percent goal for the DOD's contract awards to SDBs. Menstrina also points out that most SDBs have access to only self-generated capital (savings, mortagages on real property) to finance their operations so they often are incapable of participating in contracting opportunities for either research and development type contracts or manufacturing contracts. [Ref. 9 pp. 49-54]

It is with this backdrop that the SADBU Specialists negotiate their goals with NAVSUP. They know that awards to Small Businesses and SDBs are more costly, than competitve buys which are unrestricted where large firms allowed to compete in the solicitation. Additionally, the types of contracts that they will be able to award to these firms will often be limited to service-type contracts which do not require a large expenditure of capital by the Small Business or SDB firm. This makes it even more

important that the acquisition forecasts from customer activities be accurate and that the SADBU Specialists be aware of the potential vendor base.

Both SADBU Specialists are responsible for planning the management and administration of the Small Business programs. To accomplish this function, they are expected to analyze the advance Acquisition Planning Information provided by their customer activities. From this analysis, the SADBUS is expected to develop a preliminary forecast of the number and dollar value of the command's overall contract awards for the upcoming fiscal year. Additionally, the SADBUS will predict the percentage of these procurements which can be awarded to Small Businesses and Small and Disadvantaged Businesses. [Ref. 10 & 23]

After the SADBU Specialists make their predictions of contract awards to Small Business programs, they develop their position for negotiating their annual goals with NAVSUP. Like any negotiation, high and low figures are developed and the target figures are agreed upon by the Commanding Officers. The target figures are the negotiating objectives and are broken into two parts: The percentage of contracts (stated as a percentage of the dollar value of all awards) which will be awarded to Small Businesses and the percentage of awards to go to Small and Disadvantaged Businesses. Traditionally, both NRCCs have received goals higher than the Congressionally mandated 20 percent and five percent.
[Ref. 10, 23]

This negotiation process normally takes place during the first

two weeks of the fiscal year. The SADBUS at NRCC Philadelphia stated that he spends a great deal of time (most of the month of September) preparing for these negotiations because of the impact they have on him and the Small Business program for the remainder of the fiscal year. By negotiating a figure which is reasonably achievable, the SADBUS has more flexibility in the execution of the program during the fiscal year. Most years the goals are achievable through the renewal of existing contracts and the award of contracts in areas traditionally set-aside for either Small Businesses or SDBs. [Ref. 10]

The SADBUS at NRCC Philadelphia talks with other members of the command, besides the Commanding Officer, when he is developing his negotiating position. The SADBUS relies on the experience of the PCOs and negotiators to identify whether customer activities may be able to support higher levels of participation in the various Small Business programs. Any clarifications or additional feedback required from the customer activities is usually funneled through the Contracts Division where a PCO or negotiator will obtain the necessary information. [Ref. 10]

This is in stark contrast with the practices of NRCC San Diego Det Long Beach where the SADBUS not only talks with the PCOs and negotiators at her own Command, but also talks directly with the customer activities herself. Usually these conversations revolve around the SADBUS trying to identify other requirements which could be candidates for Small Business programs. [Ref. 23]

There are two reasons why the SADBUS at NRCC San Diego takes

a different approach than the SADBUS at NRCC Philadelphia. First, she has been in her position over ten years and has built a network of contacts at the customer activities, whom she can contact and obtain information. Secondly, the SADBUS at NRCC San Diego Det Long Beach (in her performance appraisal and position description) is not held directly responsible for the achievement of the goals set by NAVSUP for her command. (The responsiblity is shared with the PCOs and negotiators). Therefore, she will usually take the goals assigned by NAVSUP with little change occurring from negotiations. [Ref. 23]

The SADBUS at NRCC San Diego Det Long Beach prefers a challenge and believes that only by challenging the customer activities do you make any strides in the Small Business program. Furthermore, since PCOs and negotiators share in the responsibility for achievement of the Small Business goals, she believes they have incentives to make awards to Small Business programs. [Ref. 23]

The SADBUS at NRCC San Diego Det Long Beach stated that a shrewd SADBUS could work hard only one month a year yet be considered a success at most Navy Field Contracting activities. With the time and negotiation skills to whittle down their goals to a level easily satisfied with contract renewals to Small Businesses and awards typically set-aside for SDBs, a SADBUS could achieve success for his/her Small Business program at the beginning of the fiscal year. [Ref. 23]

With this sharing arrangement, the SADBU program belongs to all employees of the NRCC San Diego Det Long Beach organization and

not just to the individual designated to run the program. By refusing to whittle down the goals assigned by NAVSUP, the SADBUS at NRCC San Diego Det Long Beach changes the focus of her program away from the goals and more towards the development of increased opportunities for Small Business in Government procurement.

3. SADBUS Participation at Meetings and on Boards

At NRCC Philadelphia, the SADBUS is required to attend every Contract Review Board (CRB) so he is available to provide input or to answer questions on the procurement as it relates to the Small Business programs. Contract Review Boards are scheduled three times a week. Additional boards may be held on an ad-hoc or on an as required basis. The week that the researcher visited NRCC Philadelphia, it was the last week of the fiscal year, Contract Review Boards were held every day as contracts were awarded before funds expired.

The SADBUS believed that his attendance was unnecessary and he should be excused from regular attendance, but be available to attend should a question come up in the meeting. The SADBUS believes that less than 10 percent of the meetings require his presence. [Ref. 10]

One way the SADBUS at NRCC Philadelphia could limit his attendance at Contract Review Boards would be to expand the size and substance of his comments on the Small Business/Labor Surplus Set-Aside Review Form (NAVSO 4380). Presently he checks the block that he concurs and signs it. The rest of the form is filled out by the PCO or the negotiator. The SADBUS does not indicate if he

has done any research to determine if the procurement could be set-aside or what factors prevent this from going to a Small Business program. The procurement history for the item or service being procured is detailed on the completed NAVSO 4380 Forms, but relying on this information alone, in order to determine when to award to Small Business is dangerous. It can result in the NRCC making no awards in new areas or cause the SADBUS to cease market research for new firms in different SICs.

The SADBUS at NRCC San Diego Det Long Beach does not attend Contract Review Boards on a regular basis. If there is a particular procurement action which she believes the Commanding Officer will have questions about, she will either brief him ahead of time or attend the CRB. If she objects to a Contracting Officer's decision not to restrict a procurement for Small Business, she will advance her concerns immediately to the Commanding Officer and will not wait for the CRB to be convened. [Ref. 23]

When reviewing the NAVSO 4380, the SADBUS will normally indicate in writing what type of market research she did before concurring with the PCO's recommendation to not set the procurement aside for a Small Business program. Often times this will be sufficient for the Commanding Officer and allows the SADBUS to miss the CRB and do something more productive with her time. [Ref. 23]

The SADBUS at NRCC San Diego Det Long Beach attends every Department Head meeting. She is considered to be a Department Head although she supervises no one except her clerical worker whom she

shares with the Cost and Pricing Analyst. The SADBUS also attends the meetings because she has additional responsibilities for the command's Occupational Safety and Health program. The Commanding Officer considers her a Department Head because she reports directly to him and has responsibilities and programs which go across the entire organization.

The SADBUS at NRCC Philadelphia reports to the Commanding Officer through the Executive Officer. He does not attend the weekly Department Head meeting, nor does he have any duties outside the SADBU program. Although he is a Special Assistant to the Commanding Officer, he is not considered to be on the same level as the Department Heads, despite the fact some are the same civil service grade and step as him.

The SADBUS at NRCC Philadelphia needs to be brought up to the same level as Department Heads in the organization. In order to be more effective both within the NRCC organization and outside the organization (with the public and Small Business community) the stature of the SADBUS position needs to be increased so that the office holder is perceived to be on the same level as a senior official in the organization.

B. FACILITIES

In his book, Office Space Planning and Management, Donald Tweedy gives some standards for the floor space and furnishings of a modern office keyed to the position that the office's occupant holds in the organization. For a Division Head, such as the SADBU Specialists in the two NRCCs studied, he recommends a minimum of

180 Square Feet of office space. [Ref. 6 p. 61]

In addition to adequate floor space, Tweedy further recommends that the office be designed to provide growth flexibility, privacy, personal comfort, furnishings and other aesthetics appropriate for the office holder's position in the organization. [Ref. 6 pp.67-72]

In his book, Workspace, Creating Environments in Organizations, Franklin D. Becker provides some of the psychology of the workplace and its relationship to office size and design. Initial perceptions of an organization according to Becker are created by the appearance and size of the workers' offices. The size and furnishings of a worker's office should reflect either the worker's time and tenure with the organization or reflect how the organization perceives the importance of the worker's role to the organization. [Ref. 3 pp. 32-34]

Restated, Becker is saying that the workers with larger offices and better furnishings have received them due to long tenure in the organization or because of proven performance. If a worker performs a valuable function in the organization they too will receive better office space and furnishings as additional compensation for their performance.

In an interview with Professor Alice Crawford of the Naval Postgraduate School, she stated the use of office size and office furnishings to project the desired image for an organization is an area of research in the Field of Management which is still largely untapped. However, from her experience as a Management Consultant

to Navy Commands she has found that cluttered offices, with unorganized files and worn furnishings tended to perform worse or have more trouble with achieving the organization's mission than those organization's which did not have these problems. Professor Crawford also said that an office which appeared to be sloppy or unorganized, usually left that impression on initial visitors to the organization.

1. NRCC Philadelphia

Chapter III provided the reader a description of the office space occupied by the SADBUS and SBA-PCR on the first floor of the NRCC spaces. The dimensions of 10 feet by 12 feet is well under the 180 square feet that Tweedy recommends for someone in a position like the SADBUS at NRCC Philadelphia. His office space is further restricted because he shares it with the SBA-PCR who usually is on-site whenever the SADBUS is there. As detailed earlier, the current office affords very little space for meetings and presentations by the Small Business Community.

The lack of meeting space in the SADBUS office and the additional scarcity of meeting or conference rooms at the NRCC means that when Small Businesses do come to NRCC for a marketing presentation they often will only meet with the SADBUS and the SBA-PCR. Opportunities for interested PCOs and negotiators to attend such a presentation are effectively stifled because of insufficient facilities to accommodate all of the interested individuals. This also works to stifle the SADBUS' ability to get others in the organization who have responsibilities for the Small Business

program (PCOs and negotiators) from participating in market research on such firms.

Office space recently vacated by the Personnel Support Detachment and the Naval Station's Travel Administration section on the third floor of the Building occupied by NRCC Philadelphia will most likely be converted to a combination of office space and conference rooms. This may allow the SADBUS to have Small Business marketing presentations before larger audiences. [Ref. 15]

The SADBUS should be given the vacant office in the Executive Wing so his office surroundings will better match the position he holds in the organization. He also should be separated from the SBA-PCR who does not have the same interests and goals for the SADBU program at NRCC Philadelphia as does the SADBUS. During the researcher's visit to NRCC Philadelphia, a marketing presentation given by a recently organized Section 8(a) firm was not attended by the SBA-PCR because it interfered with her 11:30 a.m. lunch time. Other actions of the SBA-PCR witnessed by the researcher during his visit showed the SBA-PCR treating potential Small Businesses and Section 8 (a) firms with contempt, scorn and often a bit of hostility.

One clear way to show to the Small Business community that the NRCC and its SADBU program is different from the SBA in both attitude and responsibility would be to put the SADBUS in his own office separated from the SBA-PCR. Visitors to NRCC would more clearly understand the distinction in the differences of their roles if they were in separate offices.

2. NRCC San Diego Det Long Beach

In Chapter III, a description of the SADBUS' office was provided, the clean carpeting, furnishings (including live plants, watered and maintained by a professional plant service) project a professional image to an initial visitor such as the researcher. Although the SADBUS' office is smaller (150 Square Feet) than the size recommended by Tweedy it seems very adequate for conducting meetings and presentations by Small Businesses. If the SADBUS believes that the meeting should be attended by PCOs or negotiators (due to the subject matter or because they have expressed an interest) it can be easily moved to one of three meeting rooms within 50 feet of the SADBUS office.

Although the workspace for NRCC San Diego Det Long Beach is a converted floor of a warehouse, a renovation done a number of years ago masks much of the former usage of the floor. Other than the massive cargo elevators and the building's exterior with its loading docks, the visitor would think they are in a conventional office space. Accoustical ceilings have lowered the overhead of the former warehouse and sound deadening partitions keep out much of the noise of the clerical areas contiguous to the SADBUS' office.

The neat and orderly appearance of the SADBUS' desk is in contrast to her counterpart's desk in Philadelphia which had assorted stacks of papers and files in random order on most of the desk's surface area. The comfortable seating of the SADBUS' office in Long Beach also was in stark contrast to the furnishings of the

SADBUS' office in Philadelphia. Two out of three visitors seats in Philadelphia required some sort of major repair (seat broken from base, one leg missing on the other chair) and afforded little leg room when seated facing the SADBUS at his desk.

When leaving both organizations after completing his visit, the researcher was left with the overall impression that NRCC San Diego realized the importance of the facility's appearance to the effectiveness of the organization. Even if the effectiveness was only the initial impression on the visitor. In defense of the NRCC Philadelphia organization, they are taking steps to remedy problems with their facilities. New chairs for many of the offices have been purchased and a Corrective Action Team (CAT) has been formed to investigate what steps need to be taken to improve the appearance and professional image of the NRCC building. [Ref. 15]

C. PROCEDURES

When investigating how each SADBUS performed their position from a procedural standpoint, the researcher chose to focus on one aspect or task to try to discern differences between the two SADBU Specialists. The researcher chose disposition of search letters from the SBA as the area of focus. In particular the researcher asked them to explain how they handled a search letter which contained insufficient information for the SADBUS to identify the requirement. (Search letters are normally generated by SBA Business Opportunity Specialists which request the contracting activity to consider a particular SDB or Section 8(a) firm for the set-aside of a requirement. The requirement is believed by the SBA

or the firm, to be at the contracting activity awaiting review and synopsis. The firm may have learned about the requirement through their own marketing efforts to the requiring activity or from the efforts of the SBA-PCR.) They were also asked to provide any documentation which would support what they claimed were their procedures.

1. NRCC Philadelphia

The SADBUS provided the researcher with a file of over 100 search letters which had been received during his tenure. Included with the file was a copy of a computer data base file which the SADBUS had created with the help of the ADP section to track the status of these letters. Most of the search letters themselves were annotated with comments from the SADBUS indicating who had been contacted at NRCC, the requiring activity and the SBA to determine the status of the procurement in question.

The SADBUS was under no time deadline either self-imposed or imposed by the Commanding Officer to respond to these search letters. Most of the communication between the NRCC and SBA was conducted by phone unless the NRCC formally offered the SBA a set-aside on behalf of a client firm. These offerings were always in the form of a letter back to SBA either signed by the SADBUS or the PCO who would be handling the procurement.

Those letters from the SBA which could not be matched with a requirement were usually and eventually dispatched with a phone call to the SBA District Office which had generated the letter on behalf of a client SDB or Section 8 (a) firm. Some of these phone

calls did not occur until months after the search letter was received by the NRCC. The examination of the file of letters and the annotations of the SADBUS of the various actions taken, indicate that in his zeal to be responsive to the SBA, he spends a great deal of time waiting for the SBA to respond to questions posed in phone calls.

The often poor quality of the search letters sent by the SBA makes it difficult to identify the requirement which the SBA desires to be set-aside. Typically the SADBUS makes a phone call to obtain clarifying information to aid in identifying the requirement either with a PCO, negotiator or a customer activity. Depending upon which SBA office generated the request, there are differences in the speed in which the SADBUS' questions are answered. Every inquiry made to the SBA District Office in Washington D.C. for more information on a search letter had not been answered. Both the SADBUS and the SBA-PCR complained about the poor service and poor responsiveness of the SBA's Washington D.C. District office, yet no formal written complaint had been lodged with either the appropriate District Director or the Regional Administrator. [Ref. 10 & 11]

In response to an inquiry and suggestion by the researcher the SADBUS generated a form letter which he said he would begin using to return search letters to the SBA which contained insufficient information to allow the SADBUS to identify a matching requirement. The Commanding Officer is not kept informed on the backlog of search letters in-house at the NRCC.

2. NRCC San Diego Det Long Beach

When questioned by the researcher how she handled search letters from the SBA, the SADBUS said she gives herself a maximum of two weeks to respond to each letter. If there is insufficient information to identify a requirement, a letter is sent back to the SBA office that generated the search letter informing them that with the sketchy details provided, it is impossible to act upon their request.

Every search lLetter gets a response within two weeks of receipt, even if it is only an update to let the SBA office know that the NRCC is in receipt of their request and is reviewing it for a possible set-aside. The SADBUS drafts the responses herself using the word processing features of her office computer. The clerical person assigned to the SADBUS, prints out the letter with all of the appropriate tissue copies, ensuring the format is correct. [Ref. 23]

The researcher asked the SADBUS what she would do if she had to repeatedly correct problems with search letters from the SBA's Region IX District offices. The SADBUS replied, she would probably call up the Region IX Regional Administrator to lodge a complaint, followed by a letter and samples of some of the poorer quality search letters. (The SADBUS knows the Region IX Regional Administrator from her tenure as President of the Southern California Small and Disadvantaged Business Utilization Council). [Ref. 23]

The SADBUS believes it is important to respond both quickly

and in writing to all SBA search letters. This prevents these letters from being lost or forgotten and puts the burden back on the SBA to send any requested clarifications back in writing. These quick responses protect the SADBUS and NRCC from bid protests later on because of the documented timeliness of the SADBUS' responding to the SBA inquiry. Another mark of a professionally-run organization is how quickly they handle routine correspondence.

D. PARTICIPATION IN PROFESSIONAL ORGANIZATIONS

The SADBUS at NRCC Philadelphia is hurt by his lack of memberships in professional organizations in either the contracting and acquistion fields or in the Small and Disadvantaged Business Utilization area. The SADBUS at NRCC San Diego Det Long Beach believes her membership in professional organizations help her perform her job better and more effectively. It not only gives her a chance to obtain professional training, it also allows her to meet other SADBUS inside and outside Government as well as individuals from the SBA and in the Small Business Community.

E. RELATIONS WITH THE SMALL BUSINESS ADMINISTRATION (SBA)

Relations with the SBA must be defined on two levels: the first is with the command's SBA-PCR, and the second is the remainder of the SBA organization. These different levels also define the type of relationship that exists. The first is more informal where the two parties have an existing relationship with each other. The second level is more formal, where the NRCC and the SBA representative may not have had any prior contact with either the SABUS or the NRCC organization prior to telephone

contact or generating correspondence.

1. Relationships with SBA-PCR

The NRCC Philadelphia and NRCC San Diego Det Long Beach, situations are not exactly analagous, because Philadelphia's SBA-PCR is located on site where personal contact with the SADBUS is frequent. The SBA-PCR at Philadelphia has worked in some capacity at NRCC Philadelphia for more than 15 years; initially as a negotiator in the Contracts Division and more recently as the SBA-PCR. She is familiar with the organization and its personnel because of her long association with it. [Ref. 11]

Long Beach's SBA-PCR is not on site and the amount of contact as stated earlier is very infrequent. This is in contrast with the situation that existed five years previously when the long-time SBA-PCR left Long Beach. Before this individual's departure, the SADBUS at Long Beach desribed the working relationship as very close, with the SBA-PCR being very supportive, helping the SADBUS when she first assumed the position. Today the working relationship is not described as close since the SADBUS' face-to-face contacts with the SBA-PCR have been limited by their geographical separation. [Ref. 23]

2. Relationships with SBA District and SBA Regional Offices

a. NRCC Philadelphia

Both NRCC organizations have some form of contact with the SBA District and Regional Offices on a daily basis. Because of the size (dollar value) and volume (contracts awarded) of Government procurement done by each organization, they are both major

activities for Government procurement in their respective geographic locations. The types of services they both buy, make them especially attractive to the SBA for the placement of Small Business and SDB set-asides. Each organization approaches the SBA District and Regional offices differently.

NRCC Philadelphia prefers to handle most matters by phone unless they are sending correspondence to the SBA to place a Section 8(a) procurement with them. The date and subject of the phone calls are usually documented in notes taken and filed with the SBA inquiry. (Part of the preference for phone calls is due to the lack of dedicated clerical support for the SADBUS and his programs).

Both the SADBUS and SBA-PCR could not provide the name of any SBA District or Regional Office personnel that they dealt with on a recurring basis. However, both individuals expressed the opinion that the personnel in the SBA District Office in Washington D.C. were particularly unpleasant and uncooperative to deal with over the phone. [Ref. 10 & 11]

b. NRCC San Diego Det Long Beach

In an earlier section of this chapter, the researcher pointed out that the SADBUS at NRCC San Diego Det Long Beach, preferred to respond to all SBA inquiries within two weeks of receiving any correspondence from the SBA. She believed that in dealing with a bureaucracy, such as the SBA, it was preferable to document all responses in writing, providing a formal record of any actions the

NRCC took in response to an SBA inquiry. The SADBUS stated that generating correspondence was not too difficult since most responses to the SBA are similar and often of a repetitive nature. By drafting correspondence on her own personal computer in her office, the SADBUS stated the process was not overly burdensome. Clerical support ensures correct formatting and serializes the correspondence before it is sent to the SBA. [Ref. 23]

Other than the SBA's Region IX Regional Administrator and the District Directors of the Los Angeles and Orange County Offices, the SADBUS did not deal with any SBA personnel on a recurring basis. However, since she has built these relationships with upper management, the SADBUS is able to correct problems with the NRCC-SBA interface more quickly than NRCC Philadelphia. She has built these relationships through her longevity in the SADBUS position at the NRCC as well as her membership in the Southern California Small and Disadvantaged Business Utilization Council. The SADBUS believed that developing these relationships has been beneficial, making her more effective in her job as an advocate for Small Business. [Ref. 23]

F. SADBU SPECIALISTS RELATIONSHIPS WITH PCOS

1. NRCC Philadelphia

Much of the work of developing sources for Small Business set-asides or competitions is done by the PCOs. Generally the PCOs will also identify those procurements which can be set-aside for award to Section 8(a) firms, SDBs and Small Business. Both the

SADBUS and the PCOs believe it is the PCO who understands the vendor base the best and therefore should make many of the determinations. The SADBUS will usually agree with the PCO's recommendation unless the PCO is recommending taking away a procurement which has in the past been set-aside for a Small Business program. [Ref. 10, 12, 16]

The SADBUS very rarely supplies any research support for the PCOs and their negotiators. The PCOs have their own methods for developing sources; usually reviewing previous procurements of a similar nature and identifying those firms who bid on the earlier requirement as a potential source for the new one. The DD 350 data base is another potential source although the individual who maintains the data base for NRCC Philadelphia says he rarely receives a request to provide such data. [Ref. 19]

Generally the SADBUS will concur with the recommendations of the PCO whether the procurement should be restricted or unrestricted. He will only modify the recommendation if the PCO is attempting to make a procurement unrestricted which previously had been restricted to a Small Business program, or the NRCC has fallen behind projections for awards to Small Business Programs. Achievement of the assigned goals drives the SADBUS. Each week, the SADBUS monitors the command's performance versus its goals and reports the results monthly to the Commanding Officer. [Ref. 10]

2. NRCC San Diego Det Long Beach

The SADBUS at NRCC San Diego Det Long Beach usually follows the recommendations of the PCOs regarding whether a procurement

should be restricted to a Small Business program or not. However she influences the process more than the SADBUS at NRCC Philadelphia by steering the PCOs in the direction she desires to see the procurement action go.

The SADBUS at Long Beach is very active, communicating with customer activities about upcoming requirements and suggesting to the customer possible sources that they may wish to recommend. She points out the possible benefits of a Small Business or SDB set-aside and may even send out a firm to give a marketing or technical demonstration to the requiring activity. [Ref. 23]

The SADBUS at Long Beach will try to have the PCO attend the marketing or technical demonstration to learn more about the potential awardee. Through her proven track record of performance she has provided PCOs assistance in the past and can be counted upon by them to give an honest assessment of a Small Business firm's capabilities. The SADBUS at Long Beach will also defend her position forcefully if the PCO disagrees with her recommendation to restrict the procurement. She aggressively defends the Small Business programs to any PCOs who may denigrate it.

The SADBUS at Long Beach is a more effective advocate for the Small Business programs with the PCOs than her counterpart at NRCC Philadelphia. She is more effective because she does not wait until the requirement has been received by the NRCC to try to develop a Small Business restriction. Instead she works on convincing the customer activity to request a restricted procurement when they generate the procurement request. The PCOs

are given incentives to follow the customer activity's request because they are held responsible, like the SADBUS, for achieving the command's Small Business goals.

G. FORMAT FOR CONTRACTOR MARKETING PRESENTATIONS

1. NRCC Philadelphia

NRCC Philadelphia has no format for a Small Business to follow when it gives a marketing presentation to the SADBUS to acquaint him with their company and its capabilities. He usually does not make any preparations for the meeting, other than to mark it on his calendar.

He does not review any previous procurements for similar materials or services to uncover whether it can be restricted to the type of firm which is scheduled to visit. If the marketing demonstration is for a product or service where there are significant customer activities or one PCO assigned at NRCC Philadelphia to make all the procurements for such an item or service, he usually will not contact them to attend. Nor will the SADBUS contact either the customer activity or the PCO and ask them what type of questions should be asked to get a better idea of the firm's capabilities.

The SADBUS provides no detailed instructions to these visiting firms explaining what measures they will need to take and documentation necessary to gain access to the Philadelphia Naval Station. Once they arrive they are provided general information on what items and services NRCC Philadelphia routinely procures, as well as, who are the top customer activities. The SADBUS also will

provide copies of the DOD Publication, Selling to the Military and a SF-129 so the firm can provide information on itself and be included on the Bidders' Mailing List. If the SBA-PCR is present, she will explain the role she plays and provide them with a business card.

The SADBUS, besides preparing no questions in advance, usually does not set any objective for the meeting. He makes no concerted effort to use it as a forum for collecting market research data on either a particular firm or the industry they represent.

2. NRCC San Diego Det Long Beach

When marketing presentations are held at Long Beach the SADBUS makes an effort to have at least one PCO or negotiator also in attendance, usually from the section which procures the goods and services that the firm sells. To prepare for the meeting, the SADBUS will examine data (usually DD 350 information) on the Small Business program to ascertain what type of awards have been made in the past. She will also contact customer activities to learn what future requirements they might have for the goods or services that the Small Business may be selling.

On the day the visitor is scheduled to arrive, the SADBUS notifies the security office for the Naval Station that she is expecting visitors and provides data to them to accelerate the firm's check-in process. Like the SADBUS in Philadelphia, she provides a copy of Selling to the Military and a SF-129. Unlike the SADBUS in Philadelphia, the SADBUS in Long Beach has additional publications which provide information on the programs for women-

owned businesses, unique financing requirements of selling to the Government as well as copies of publications listing all of the DOD and Navy SADBU Specialists.

Before the representative of the firm leaves the NRCC, the SADBUS will try to provide a general description of expected future procurements for the good or service without revealing any sensitive procurement information which might give this firm an advantage over the competition. The SADBUS will also emphasize the need for the firm to market itself to the NRCC's customers most likely to require their goods and services.

H. MARKET RESEARCH

The SADBUS at both organizations admitted they did not do much market research trying to assess the potential vendor base. NRCC San Diego Det Long Beach does try to get an assessment of the potential requirements from customer activities in advance of the Procurement Request being generated by the customer activity. This enables the SADBUS to begin planning for possible Small Business involvement with the procurement.

To a lesser degree, the SADBUS at NRCC Philadelphia attempts to determine upcoming Procurement Requests from customer activities. His concentration in this area generally occurs in September when he is planning his negotiations with NAVSUP for the next fiscal year's Small Business goals. After the new fiscal year begins, much of this effort is done by the PCOs who are trying to estimate future workloads. PCOs also query future customer requirements and investigate ways to combine numerous requirements

(particularly for ADP hardware and software) into a single procurement action with price concessions for large quantity buys. [Ref. 12 & 16]

Neither NRCC has done much training in the area of market research. NRCC Philadelphia's sole guidance is a one page listing of market research techniques included in a command instruction on a number of procurement policy matters. Dr. John Mulhern, a recognized scholar in the area of market research as it relates to Government procurement has offered to provide training to NRCC Philadelphia's personnel in exchange for drill credits as a Naval Reservist. (Dr. Mulhern is a Captain, Navy Supply Corps in the Naval Reserve). Only one of the two Naval Reserve units which drill at NRCC Philadelphia have accepted Dr. Mulhern's offer. He has not been invited to provide training for the NRCC Philadelphia civilian work force. [Ref. 21]

NRCC San Diego Det Long Beach is in the best position to begin a market research program to identify additional Small Businesses available to do work for the Government. Long Beach has its data more organized and ready for use than NRCC Philadelphia. Long Beach is also taking steps to make its Bidders' Mailing list more current, accurate and complete which should also help the market research effort.

I. USE OF SMALL BUSINESS FAIRS

Both SADBU Specialists attend Small Business Fairs and other large gatherings focused at increasing Small Businesses and SDBs' involvement in Government procurement. During the researcher's

visit to Philadelphia, the SADBUS and SBA-PCR attended one such fair hosted by the City of Philadelphia aimed at Small Businesses and Minority Businesses. Both the SADBUS and SBA-PCR provided literature on the programs at NRCC Philadelphia including a SF-129 for each interested business.

The week following the researcher's departure from NRCC Philadelphia, both the SADBUS and the SBA-PCR were scheduled to attend a Small Business Conference sponsored by the Naval Ship Systems Engineering Station (NAVSSESS) in Philadelphia. When attending these conferences, neither the SADBUS nor the SBA-PCR have any objectives for the conference. They do not try to identify any new Small Business firms that can provide a good or service for the NRCC which has not previously been provided by a Small Business. A potential untapped source of market research material is going untapped each week they attend one of these mandatory conferences and do not exploit it.

The SADBUS at NRCC San Diego Det Long Beach tries to make use of the job fairs to obtain information about the potential vendor base of Small Businesses. Based on the theme of the conference the SADBUS sets a goal for the conference such as meeting and getting information on a Section 8(a) firm that is capable of doing work in ADP Services. Through her participation in the Southern California Small and Disadvantaged Business Utilization Council, the SADBUS has been able to get other conferences promoting Small Business programs to be held throughout the Los Angeles area, including one for Women-owned businesses.

Both SADBU Specialists could make more effective use of their appearances at these fairs. Through proper prior planning, the SADBU Specialists can establish objectives for every fair they attend. Additionally by keeping records on the firms they meet at these fairs and whether any are ever awarded a contract, both SADBU Specialists would be able to determine if their participation at these symposiums is beneficial. By keeping better records of their activities, they would be better able to determine whether they only fulfill DFARS requirements to promote Small Business in Government procurement or that these fairs lead to mutually beneficial results.

J. STATUS AND USE OF THE BIDDERS' MAILING LIST

One result of the SADBU Specialists attending a Small Business Fair or hosting a Small Business firm for a marketing presentation is that they will more than likely receive a large number of SF-129s to be entered on the Bidders' Mailing List. At both commands the Bidders' Mailing Lists are in woefully poor condition. Only NRCC San Diego Det Long Beach is doing anything to resolve the problems.

The poor condition of the Bidders' Mailing Lists hurts the credibility of the SADBUS when he/she attends job fairs or meets with a Small Business. These firms take a great deal of time to fill out the SF-129 in accordance with the instructions and then have no guarantee that the information will be entered into a data base or even used if it is entered. It also symbolizes a missed opportunity for these NRCCs to develop a valuable data base which

can be used to improve the Small Business programs at both locations.

1. NRCC Philadelphia

At NRCC Philadelphia, the Bidders' Mailing List (BML) has not had a complete overhaul in more than five years. For the last 18 months, no entry of SF-129 information (either new or revised) has been done. A backlog estimated to be over 2,000 SF-129s is awaiting data entry. [Ref. 13] No plans have been made to resolve this situation until after the installation of the APADE (Automation of Procurement and Accounting Data Entry) Procurement System for large contracts is completed in the Spring of 1992. [Ref. 13 & 18]

A shortage of clerical personnel to perform data entry and uncertainty over whether the data files containing the BML in the current Management Information System (MIS) can be converted to APADE, has stymied the efforts to keep the BML current, accurate and complete. [Ref. 13 & 18] To combat this situation, the SADBUS has been advising all Small Businesses to read the Commerce Business Daily (CBD) for synopses of NRCC's procurement actions. If they desire a copy of any solicitation, they are advised to follow the procedures laid out in the CBD for obtaining a copy. No solicitations are mailed out based on the Small Business having submitted a SF-129 to NRCC Philadelphia. [Ref. 10, 12, 13, 14]

A review of the records show on average only two requests per month for extractions of information from the BML. Most PCOs and negotiators have developed their own work-arounds to compensate for

the poor state of the BML. The SADBUS has largely been excluded by the PCOs from the development of these alternate Bidders' Lists. What is not clear is whether the SADBUS is reviewing the Small Business/Labor Set-Aside Review Form (NAVSO Form 4380) any more closely to ensure Small Business Programs will be given an opportunity to participate in the procurement. [Ref 10, 12, 13]

The ADP section at NRCC Philadelphia is pursuing the issue of data file preservation and conversion from the NRCC MIS to APADE. No efforts have been initiated to ensure the old NRCC MIS data base is being overhauled to make it current, accurate and complete prior to its eventual conversion to APADE. [Ref. 18]

2. NRCC San Diego Det Long Beach

The SADBUS at Long Beach realized a number of months ago that the BML had gone more than five years without having the information on it checked for accuracy. The SADBUS is spearheading the effort to fix the BML and make it more current, accurate and complete. A letter and new SF-129 has been sent to all firms on the current BML asking them to send back a completed SF-129 with corrections if they wish to remain on the BML. The SADBUS is hoping this will replace the many ad-hoc methods currently being used to send out solicitations. Also, the SADBUS is ensuring that all information pertaining to Small Businesses is accurately completed before the new SF-129 information is added to the BML. [Ref. 23]

K. SUMMARY

This chapter has laid out the differences between how these

two SADBU Specialists perform their roles in their respective organizations. The approach of the SADBUS at NRCC San Diego Det Long Beach appears to the researcher to fulfill more closely the requirements laid out in regulations, public statutes and DOD publications. The SADBUS at the NRCC Det in Long Beach appears to run her program in a more aggressive and proactive manner than her counterpart in Philadelphia. The image that both she and her program project are professional, competent and an aggressive advocate for the role of Small Businesses in Government procurement.

The SADBUS at NRCC Philadelphia is hurt by the program's need to focus less on attaining their goals and the need to focus more efforts into increasing the professional stature of the SADBUS versus his counterparts in the organization. Many procedures are followed by rote with little consideration of their consequences for the Small Business programs. NRCC Philadelphia must realize that the attainment of the goals for awards to Small Businesses and SDBs do not by themselves make the SADBU programs successful.

Conclusions reached by this thesis and the recommended solutions to the problems encountered will be discussed in Chapter V.

V. CONCLUSIONS AND RECOMMENDATIONS

A. INTRODUCTION

The comparison of the roles of the Small and Disadvantaged Business Utilization Specialists at NRCC Philadelphia and NRCC San Diego Detachment Long Beach lead to the following conclusions listed in this Chapter. From these conclusions, recommendations will be made which will be designed to increase the efficiency and effectiveness of the SADBUS at each location.

None of the conclusions or recommendations reached by the researcher should be construed by the reader to indicate that either NRCC does not currently have an effective SADBU program. Each Command has consistently increased their levels of participation in all major Small Business programs. If left alone, they probably would continue to be as successful as they have been in the past. What the researcher is pointing out, are conclusions and recommendations, which if implemented, will make both SADBU Specialists more effective and efficient given the finite resources of personnel and time that are at their disposal. The researcher would also not presuppose that his recommendations are the only ways of attacking these problems.

Both SADBU Specialists studied, take pride in the performance of their duties and believe in the worth of the programs they are designated to advocate. Perhaps due to the continuity present at NRCC San Diego Det Long Beach and a larger commitment of resources made to the program in the past, as well as currently, they are slightly ahead of NRCC Philadelphia. However, the differences

between the two commands can be made up rather quickly, without a great expenditure of resources.

B. CONCLUSIONS AND RECOMMENDATIONS

1. NRCC Philadelphia

The following conclusions and accompanying recommendations should be considered by the SADBUS and NRCC Philadelphia organization for implementation, to improve the efficiency and effectiveness of the SADBU program at NRCC Philadelphia.

a. Conclusion 1: The professional stature of the SADBU Specialist's position is not commensurate with his duties.

As detailed in Chapter III, the SADBU Specialist at NRCC Philadelphia does not have either the type of office, furnishings or the clerical support necessary for him to perform his important role effectively and efficiently. These things need to be improved because of the SADBU Specialist's frequent contact with the public. If the position is going to continue as part of the rotation for GM-13 personnel, the stature must also be improved to attract quality performers to the position in the future.

Recommendation 1: Provide the SADBUS with sufficient office space to adequately host Small Businesses and NRCC customers for both marketing and technical presentations.

Chapters III and IV provided details on the cramped conditions the SADBUS currently works in, preventing more participants from attending marketing and technical presentations. Office space currently available (e.g. in the Executive Wing) is more appropriate for the SADBU Specialist's position.

Moving into his own office would separate the SADBUS from the SBA-PCR which is important so the public understands the separate functions of the two individuals. Any office space provided to the SADBUS must have either a telephone answering machine or clerical personnel who will answer his phone when he is not in the office. For public relations purposes it is critical that the SADBUS be available to the members of the Small Business community he is designated to serve.

b. Conclusion 2: The SADBU Specialist's relationship with the Small Business Administration (SBA) is not clearly defined.

Chapters III and IV detailed the relationship of the SADBUS with the SBA-PCR and the SBA District and Regional offices. In trying to be responsive to the SBA, the SADBUS is spending a great deal of his time trying to research poorly written search letters which should be returned immediately to the sender. Clearly the SADBUS must establish and maintain good working relations with the SBA, but he should not be so deferential that he allows the SBA to send poorly drafted and incomplete correspondence on a continual basis.

Recommendation 2: The SADBUS should return all search letters to the SBA which do not provide the minimum sufficient information outlined for such letters in the FAR.

These letters should be sent to the Director of the SBA District or Regional Office which originated the correspondence. Poor performance of these SBA employees will not be corrected until Senior SBA mangement personnel become involved with the solution.

The SADBUS should respond to all search letters in writing no later than two weeks after receipt of the original letter. The SADBUS should rely less on phone calls and use correspondence to resolve issues with the SBA. Correspondence provides written documentation of the actions taken by the SADBUS.

c. Conclusion 3: The resources and talents of the resident SBA-PCR are underutilized by the SADBUS.

Most of the current complaints with the SBA could be more effectively handled if they were funneled through the SBA-PCR for action. This is one of the duties of the SBA-PCR, in addition to performing her oversight function. Chapters III and IV revealed that the SBA-PCR lacks proper supervision from her district office and sets her own schedule; she will avoid meeting with the Small Businesses visiting NRCC Philadelphia if it conflicts with her lunch or other personal matters. She cannot effectively perform market research for the SADBUS because she has not brought her computer terminal on-line with PASS.

Recommendation 3: Problems with the SBA/NRCC interface should be resolved using the SBA-PCR.

The SBA-PCR currently has sufficient time during the day to help the SADBUS with some of the burdens of his job. One of the biggest burdens is responding to the SBA for requests for information. Similarly the SADBUS often needs information from the SBA and is unable to obtain it in a timely manner. In both cases the SBA-PCR should be involved with the solution.

There should be greater use of the SBA-PCR so the SADBUS can

concentrate his efforts on increasing Small Businesses' participation in Government procurement.

d. Conclusion 4: Poor internal procedures at NRCC Philadelphia hurt the performance, efficiency and effectiveness of the SADBUS.

Chapters III and IV outlined some of the problems that were hurting the performance of the SADBUS. Specifically, the Bidders' Mailing List needs to be completely overhauled to provide a more valuable market research tool to the SADBUS and the rest of NRCC Philadelphia. Earlier, the researcher pointed out some of the problems with quality of correspondence from the SBA and steps that should be taken to resolve those problems.

Recommendation 4: The SADBUS should lead the effort to revise the Bidders' Mailing List (BML).

The SADBUS should lead the effort to send out questionnaires to all businesses on the BML, to verify the name of the firm, its address, the types of goods and services that they provide and whether they wish to remain on the BML. The SADBUS should also ensure that all SF-129s received by him from Small Businesses are added to the BML in a reasonable amount of time. (The current 20 month backlog is not reasonable). The SADBU Specialist's credibility with the Small Business Community has been severely damaged by the poor state of the BML.

e. Conclusion 5: The SADBUS does not maintain professional contacts with the other SADBU Specialists in the Philadelphia area.

Most contact with fellow SADBU Specialists is limited to sporadic and short meetings which occur while these individuals are

in attendance at a job fair or other gathering promoting the Government's involvement with Small Business. There may be an occasional exchange of phone calls, but there is no concerted effort to organize the SADBU Specialists at the multiple Government activities in the Philadelphia area.

Recommendation 5: A Small Business Development Council should be established in the Philadelphia area to promote the interests of Small Business in Government procurement.

A Small Business Developmemt Council for the Greater Philadelphia area would provide a forum for a regular interchange of ideas between the SADBU Specialists at DLA activities, General Services Administration (GSA) and Navy activities in the area. Although on its face such an effort may appear to more cosmetic in nature and scope, it will help the SADBU Specialists project the proper image with their Small Business clientele. Also, any regular interchange of ideas and experiences will yield a number of positive results for the attendees.

f. Conclusion 6: Long range plans or goals do not exist for the SADBU Specialist and his Small Business programs.

As outlined in Chapter III, the SADBU Specialist's performance is judged solely by whether he achieved the yearly goals for awards to Small Businesses and SDBs provided by NAVSUP. Any effort he expends to develop new Small Businesses or expand the areas of goods and services provided by Small Business go unrewarded by the NRCC. The SADBUS is given no direction or goal to increase Small Business involvement in areas where they have not been previously

involved.

Recommendation 6: The SADBUS should be given incentives to increase the number and types of contract awards given to Small Business programs.

The NRCC should look beyond the achievement of the yearly goals for Small Business programs passed down by NAVSUP. The SADBU Specialist's performance standard should be revised to emphasize the need for the SADBU Specialist to develop new opportunities for Small Businesses and SDBs. No long range plans for developing Small Business involvement in new fields, where they are not currently involved, are being formulated. If anything the SADBUS is disincentivized to exceed the goals set for the current fiscal year. Performance of the SADBUS is measured largely against the attainment of the various Small Business goals for the current fiscal year.

Efforts designed to develop new Small Business opportunities, with only a very limited chance of contracts being placed with the firms, are not considered worthwhile endeavors. Future planning efforts revolve solely around determining which Small Business contracts are up for renewal and whether they will remain set-aside for Small Business programs.

Single fiscal year goals will continue to be used in the Small Business area until TQL/TQM techniques are used to study the phenomena of Small Business development. Short-range goals lead to expedient solutions but do little to increase the overall involvement of quality Small Business contractors in Federal

Government procurement.

g. Conclusion 7: The present system for collecting and storing marketing information provided by Small Businesses is not useful for market research.

Chapter III pointed out that the SADBUS does not store marketing information from Small Business firms in such a manner that they can be accessed easily as a tool for doing market research. Marketing literature provided by Small Businesses at job fairs or during marketing presentations at NRCC Philadelphia is not currently organized in any logical manner. Most of the literature, with detailed descriptions of a firm's capabilities, is filed in boxes in random order in the SADBU Specialist's office.

Recommendation 7: A filing system to organize the information held by the SADBUS should be put in place to increase its usefulness as a tool for market research.

A system much like that used by the SADBUS at NRCC San Diego Det Long Beach should be adopted. Marketing literature is filed by type of firm: Small Business, SDB or Section 8(a) firm. These three categories are further segregated by using the applicable Standard Industrial Classification (SIC) codes assigned by the Department of Commerce.

This filing system provides the most useful system for supporting the research function of the SADBUS. The filing system is organized to answer the typical question the SADBUS is asked. (e.g. Do you have a list of Section 8(a) firms that can perform Engineering Technical Services work, SIC 8711?)

h. Conclusion 8: NRCC Philadelphia has not contacted NAVSUP to limit the rise in NRCC Philadelphia's goals for Small Business programs, due to the Cog migration from ASO and SPCC to DLA.

Studies cited earlier show that there are limits to the numbers of Small Businesses who can actually satisfactorily perform work for the Government. The types of contracts typically awarded by NRCC Philadelphia do not afford much more expansion of the various Small Business programs.

Many of the items being transferred to DLA from ASO and SPCC are currently procured from Small Businesses. The transfer of management responsibilities should be accompanied by the transfer of Small Business goals from the Navy to DLA.

Recommendation 8: NRCC Philadelphia should contact NAVSUP to determine if the Small Business Program's goals will rise after the Cog migration occurs.

NRCC Philadelphia should not wait until September 1992 to negotiate their Small Business program goals for FY 1993. The earlier the NRCC is aware that their goals will be raised, the longer they will have to submit a notification requesting reconsideration of their goal. Should their request be turned down by NAVSUP the additional time will provide them the opportunity to plan for achieving the higher goals assigned.

i. Conclusion 9: Market research is not being done to expand the potential vendor base, or identify potential future requirements from NRCC Philadelphia's customer activities.

The two biggest reasons given by the SADBUS for why more

awards are not made to Small Business programs are: Absence of qualified sources and insufficient time to find a qualified Small Business source. Market research will not produce qualified sources that do not exist. Chapter IV however, pointed out that there are many areas that do not have Small Business involvement because capital requirements keep them out of certain fields.

There are a number of areas where Small Businesses are well-positioned to be involved in Government procurement, but currently are not involved. Market research will uncover firms like these which are capable of performing on a myriad of Government procurements.

Recommendation 9: The SADBUS should develop a market research plan to identify Small Businesses capable of performing on NRCC Philadelphia procurements.

There are a number of different sources available to the SADBUS to find out about the capabilities of Small Businesses. PCOs, negotiators and the Small Businesses themselves are all sources of such marketing information. The SADBUS needs to develop a market research plan whereby he can tap into these sources and obtain information about firms and learn their capabilities. A market research plan will provide structure to the SADBUS search for additional firms to participate in the various Small Business programs.

j. Conclusion 10: A Corrective Action Team (CAT) has not been established for the SADBU program at NRCC Philadelphia.

Under its implementation of Total Quality

Leadership/Management (TQL/TQM), NRCC Philadelphia has established a number of CATs to study ways to improve various functions and processes in the NRCC organization. No CAT has been formally established to study the functioning of the SADBUS. In addition, no CAT has examined the interface between the SADBUS and the PCOs and negotiators. The SADBUS has not been examined as a part of the contracting process, to understand his contributions or detractions from the organization.

Recommendation 10: A Corrective Action Team (CAT) should be established to study additional ways to improve the performance of the SADBUS at NRCC Philadelphia.

The Commanding Officer of NRCC Philadelphia has embraced the Total Quality Leadership (TQL) initiatives of the DOD. NRCC Philadelphia has provided each employee at least twelve hours of training in TQL and has established numerous CATs to suggest improvements to the organization. To continue the process of improving the role of the SADBUS, a CAT should be established to study additional changes.

One potential benefit of a CAT would be to increase command awareness of the role of the SADBUS. More members of the command need to be made aware of the assistance the SADBUS can provide to both the PCO and the negotiator. Often set-aside procurements can be processed and awarded more quickly than competitive procurements with their thirty to forty-five day solicitation periods.

Although the various Small Business programs and their resulting requirements have a socio-economic purpose, these

programs can also be used by procurement officials to accelerate contract award and product delivery.

2. NRCC San Diego Det Long Beach

The following conclusions and recommendations should be considered for implementation by the SADBUS and the NRCC San Diego Det Long Beach organization, to improve the efficiency and effectiveness of the SADBUS and the SADBU program.

a. Conclusion 1: NRCC San Diego Det Long Beach has not contacted NAVSUP to limit the rise in Small Business program goals after the Cog migration from ASO and SPCC to DLA.

Like its counterpart in Philadelphia, NRCC San Diego Det Long Beach needs to begin negotiating its FY 1993 Small Business goals earlier than September 1992. If the DLA will not accept an increase in their Small Business program goals when the Cog migration occurs, then NRCC San Diego will need to increase its efforts to identify other Small Businesses as sources of supplies and services.

Recommendation 1: NRCC San Diego Det Long Beach should contact NAVSUP to determine if their Small Business program goals will rise after the Cog migration from ASO and SPCC to DLA occurs.

If the SADBUS, PCOs and negotiators as well as the NRCC's customer activities are going to have higher goals to achieve next fiscal year, the sooner they are made aware of this situtation the better it will be for them. A significant rise in their goals will necessitate a change in their normal operating procedures. Market research efforts will need to begin in advance of the fiscal year

to ensure there are sufficient new Small Businesses identified as potential sources.

b. Conclusion 2: Market Research techniques to identify potential sources of supply and future requirements from customer activities are not currently being used.

Chapters III and IV showed that the use of market research techniques, while more advanced at NRCC San Diego Det Long Beach than NRCC Philadelphia, still could be improved. Gaining access to the PASS data base would be one step the SADBUS could take to improve the use of market research techniques.

Recommendation 2: The SADBUS should expand the efforts to revise the Bidders' Mailing List to include a renewed effort to obtain an in-house access to PASS.

Efforts currently underway to purge the Bidders' Mailing list of out of date information, while updating information on firms who wish to stay on the BML is one of the more ambitious market research projects undertaken to date. This effort will pay future market research dividends once a current, accurate and complete BML is in place. Efforts to continuously update the accuracy of the BML should be explored, such as ensuring SF-129 information is entered promptly and correctly. Additionally, the BML should be completely updated more regularly than every five years. Naval Reservists assigned to the NRCC should be put in charge of future updates of the BML, supervised by the SADBUS. An up-to-date BML is one of the best starting places for beginning a market research project to identify a firm for a defined task.

The SADBUS should explore with the SBA a way of getting access to PASS for the NRCC, even though the SBA-PCR is no longer co-located at the NRCC. With an in-house capbility to access PASS, it is more likely that the SADBUS will make use of it.

Conclusion 3: Total Quality Leadership/Management (TQL/TQM) techniques are not being used at NRCC San Diego Det Long Beach to improve the effectivieness and efficiency of the SADBUS.

In one area NRCC Philadelphia is far ahead of its counterpart in Long Beach. That area is the implementation of TQL/TQM. All employees at Philadelphia have received a minimum of 12 hours of training. There is no similar effort underway at NRCC San Diego Det Long Beach. TQL/TQM has not been embraced and most NRCC employees in Long Beach consider it another passing fad for the Navy. One way to get the organization familiar with TQL/TQM would be to use the SADBU program as one of the initial areas to be improved through the use of TQL/TQM.

Recommendation 3: NRCC San Diego Det Long Beach should appoint a Corrective Action Team (CAT) to study the SADBUS' function and recommend changes to be made to improve the efficiency and effectiveness of the program.

The current SADBUS can retire from Federal Service in as little as five years. In her tenure as SADBUS she has assumed a number of functions previously performed by someone else in the NRCC organization or received the duties during consolidations and restructuring. Unfortunately many of these duties are not listed on her current Position Description. In order to begin making

preparations for an orderly transition, upon the retirement of the current SADBUS, the CAT process will ensure that all her duties are correctly recorded.

Although the BML is not under her Position in the organization chart, the SADBUS recognized the value of an effort to verify its accuracy. The SADBUS spearheaded the current BML verification underway and is ensuring that the corrected information is being added to the BML.

The CAT would be one process to use to more accurately assess the contributions that the SADBUS makes to the NRCC organization. The CAT would also reveal other ways the SADBUS can perform her role more efficiently and effectively.

C. ANSWERS TO RESEARCH QUESTIONS

1. Primary Research Question

What are the roles of the Small and Disadvantaged Business Utilization Specialist at NRCC Philadelphia, PA and NRCC San Diego, CA Detachment Long Beach, CA and how might their roles be improved?

The roles of both SADBU Specialists are to ensure that their respective NRCCs adhere to the requirements of Federal laws and Federal Procurement Regulations regarding contract awards to Small Businesses. The SADBU Specialists should also be advocates for Small Businesses, promoting both their existence and capabilities to their customer activities and to their PCOs and negotiators.

Both SADBU Specialists develop programs to ensure that their NRCC meets the goals assigned by the Naval Supply Systems Command (NAVSUP) for awards to Small Businesses and SDBs. Both of them

also play a public relations role, representing their commands at functions designed to promote the participation of Small Businesses in Government procurement.

Their roles could be improved by increasing the use of market research techniques to identify requirements that can be awarded to Small Businesses. Market research techniques will also assist the SADBU Specialists in increasing the participation of Small Business in Government procurement.

2. Subsidiary Research Questions

a. What is the role of the SADBUS as outlined in statutes and regulations?

The role of the SADBUS is to ensure their procurement organization adheres to the requirements to maximize the number of contract awards to Small Businesses and SDBs. The SADBUS should be actively engaged in soliciting Small Businesses while advocating their use to PCOs, negotiators and customer activities.

b. How is the job structured and what are the specific duties of the SADBUS at NRCC Philadelphia?

c. How is the job structured and what are the specific duties of the SADBUS at NRCC San Diego Det Long Beach?

Both jobs are assigned to GM-13, GS-1102 Series Contract Specialists. The SADBUS at NRCC Philadelphia is a rotational position, filled for two and one half to three years by one of a pool of GM-13, GS-1102 series personnel. At NRCC San Diego Det Long Beach, their SADBUS has held the position over 10 years.

Both individuals oversee the SADBU programs, but the SADBUS at

NRCC San Diego is not held directly responsible, in either her position description or performance appraisal, for achieving the goals mandated by NAVSUP. At NRCC Philadelphia, achieving these goals are the sole responsibility of the SADBUS, despite public laws giving part of the responsibility for achieving the goals to the organization's PCOs.

Both SADBU Specialists are expected to be advocates of the SADBU program and to represent the NRCC at business fairs and other conferences where the Government is promoting itself as a customer of Small Business.

d. What are the similarities between the role of the SADBU Specialists at NRCC Philadelphia and NRCC San Diego Det Long Beach? What are the similarities between how the two carry out the assigned duties of their position?

e. What are the differences between the role of the SADBU Specialists at NRCC Philadelphia and NRCC San Diego Det Long Beach? What are the differences between how the two carry out the assigned duties of their position?

Both SADBU Specialists are the most visible member of the NRCC to the general public. Both perform similarly, reviewing procurements, ensuring Small Businesses are given every opportunity to particpate in the procurement process.

Both of them rely on the PCOs and negotiators to make recommendations on whether a procurement should be restricted or unrestricted. The SADBUS at NRCC San Diego Det Long Beach typically gets involved in the process both more aggressively and

much earlier than the SADBUS at NRCC Philadelphia. The SADBUS at NRCC San Diego Det Long Beach typically is sought out for advice by the PCO or negotiator before she has even received the procurement package. The PCO or negotiator want her to determine whether the procurement needs to be solicited under one of the restrictions of the Small Business Programs.

The SADBUS at NRCC Philadelphia is typically more passive, usually waiting until the procurement package comes to him before he gets involved with making a determination. Unless the NAVSUP mandated Small Business goals are in danger of not being achieved or it is a procurement habitually set-aside for Small Businesses, he will usually agree with the recommendations of the PCO.

There typically are enough procurements recommended for set-aside, for Small Business and SDBs, by the PCOs and negotiators, that the SADBUS at NRCC Philadelphia rarely objects to their determinations to procure unrestricted.

f. How might the SADBU Specialists' roles at NRCC Philadelphia and NRCC San Diego Det Long Beach be refined in order to improve the efficiency and effectiveness of these positions?

Both positions would benefit by increasing the use of market research techniques to identify addtional potential sources. Better methods to identify potential sources within the Small Business community need to be developed. Potential barriers to Small Business involvement in Government procurement must be identified and solutions found for them.

Once information on Small Business firms is collected, better

ways to store, retrieve and disseminate it are needed, so more organizations can benefit from it.

D. SUMMARY

The role of the Small and Disadvantaged Business Utilization Specialist is difficult, due to the requirement to serve a variety of interests. The SADBUS is always concerned with meeting the DOD goals for contract awards to Small Business, while not jeopardizing the contracting organization's relationship with their customer activities. The SADBUS must walk a tightrope, stretched between being an advocate for Small Business, while ensuring that the customer activities' requirements are adequately met.

While this thesis pointed out some deficiencies and recommended improvements that could be made in both the SADBU Specialists' roles and in their NRCC organizations; neither SADBUS is severely flawed. Most of the recommendations made, reflect the need to constantly update job performance, to answer the changing procurement environment.

Neither command has expressed any disatisfaction with their performance. Both commands have consistently met their assigned goals for awards to Small Business. What the researcher attempted to accomplish was to provide an outsider's perspectives and to challenge the old ways of running the program. Unless drastic changes to raise each command's Small Business goals occur in the future, it is likely both could continue to succeed without making any changes in their standard operating procedures.

However, if the Department of Defense and the Navy are going

to embrace the principles of TQM/TQL, satisfaction with the status quo will no longer be the measure of good performance. TQM/TQL challenges the members of the organization to continually seek measurable improvement. Old ways of doing business are constantly being challenged, as being the impediments to achieving improved quality and enhanced performance.

Each process in the procurement organization can be studied and improved. Perfection is a moving target that may be hit through practice and perseverance. But perfection is temporary at best and each day hitting the target is the goal. What the researcher hopes his efforts uncovered is the need to refocus aim at the target; while recognizing that each SADBUS has a number of arrows (market research, professionalism, longevity, office reorganization) in their quill to aim at the target. By picking the right arrow or combination of arrows, the SADBU Specialist should improve their on-target performance.

E. RECOMMENDATIONS FOR FURTHER RESEARCH

The Small and Disadvantaged Business Utilization (SADBU) Program is an area fertile with topics for additional research. The researcher believes that the topic of market research as it applies to the SADBU Program would warrant additional investigation. A study of how SDBs, Small Businesses and Section 8(a) firms are identified for consideration as potential sources of supplies or services would be valuable. Are the existing sources of market information (PASS, SBA search letters, marketing

presentations, Small Business Fairs, Selling-to-the-Government Conferences) adequate to uncover responsible and competent sources? Would the DOD or Navy benefit by setting up its own data base for use by their SADBU Specialists?

The research could be in the form of a study attempting to identify where the SADBU Specialists get their most reliable information on the capabilities and past performance of Small Businesses.

A second area which needs to be explored is the role of the SBA-PCR in the field contracting activity. Is the SBA-PCR still needed in light of the fact that many organizations, despite obligating more than $150 Million per year in contract actions, do not have a resident SBA-PCR on site. Does the SBA-PCR provide any valuable services which contribute to the effectiveness of the organization's performance.

NRCC Philadelphia previously expressed interest in a thesis being done on the effects that procurement regulations for ADP equipment have on Small Business involvement in that field. Do these rules overly complicate ADP procurement and cause Small Business to express little interest in selling ADP equipment to the Government? Conversely, do these regulations have no impact on Small Business involvement, which instead is limited by other factors, some of which the Government cannot control?

Dr. John Mulhern of the University of Pennsylvania is interested in exploring the role of the various Small Business programs under the Department of Defense's Reconstitution Strategy.

He is particularly interested in developing recommendations on changes which will need to be made in the Small Business programs if the Navy is to go ahead with its RAMP (Rapid Acquisition of Manufactured Parts) initiative. RAMP is being developed as an outgrowth of the Defense Management Review. It is designed to save the Navy Operations and Maintenance funds and Navy Stock Fund expenditures by decreasing safety stocks of spare parts and components.

By decreasing the amount of lead time needed to solicit and award contracts for spare parts and components, safety stock levels can be reduced. RAMP is designed to qualify a number of quality suppliers who will supply the majority of the Navy's critical repair parts and components. Through the RAMP program's stringent quality standards and streamlined procurement procedures the Navy should be able to reduce on-hand stocks of repair parts and use some of the features of the Just-in-Time inventory system to meet its needs.

One final area which could be explored, is whether awards to SDBs or Section 8(a) firms, which are done as set-asides, result in earlier contract completion than those awarded to Small Businesses under full and open competition. The current opinion in the procurement profession is that set-asides lead to earlier award than competitive procurements, but result in less timely performance, than awards which are made under full and open competition. This is mainly due to the SDBs and Section 8(a) firms being under-capitalized and incapable of affording on-hand

inventories and labor-saving devices which better capitalized firms can afford. Should the Government fund these SDBs and Section 8(a) firms through advance payments and loans to buy inventories and equipment to make them more efficient and improve their performance on Government contracts?

APPENDIX

SMALL BUSINESS ADMINISTRATION'S REGIONAL OFFICES

Region I: Boston, Massachusetts.
Area of Responsibility: Maine, Massachusetts, New Hampshire, Vermont, Rhode Island and Connecticut.

Region II: New York City, New York.
Area of Responsibility: New York, New Jersey, Puerto Rico and the Virgin Islands.

Region III: King of Prussia, Pennsylvania.
Area of Responsibility: Pennsylvania, Delaware, West Virginia, Maryland, District of Columbia and Virginia.

Region IV: Atlanta, Georgia.
Area of Responsibility: Georgia, Alabama, North Carolina, South Carolina, Mississippi, Florida, Kentucky and Tennessee.

Region V: Chicago, Illinois.
Area of Responsibility: Illinois, Indiana, Minnesota, Ohio, Michigan and Wisconsin.

Region VI: Dallas, Texas.
Area of Responsibility: Texas, New Mexico, Arkansas, Louisiana and Oklahoma.

Region VII: Kansas City, Missouri.
Area of Responsibility: Missouri, Iowa, Nebraska and Kansas.

Region VIII: Denver, Colorado.
Area of Responsibility: Colorado, Utah, Montana, Wyoming, North Dakota and South Dakota.

Region IX: San Francisco, California.
Area of Responsibility: California, Hawaii, Nevada, Arizona and Guam.

Region X: Seattle, Washington.
Area of Responsibility: Washington, Oregon, Alaska and Idaho.

(Source: 1991 Federal Staff Directory)

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